

SENATE BILL No. 274

By Committee on Financial Institutions and Insurance

2-7

AN ACT concerning insurance; providing coverage for certain mental health conditions; amending K.S.A. 40-2,103, 40-2,105 and 40-19c09 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) Any individual or group health insurance policy, medical service plan, contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society or health maintenance organization which provides coverage for mental health benefits and which is delivered, issued for delivery, amended or renewed on or after January 1, 2002, shall include coverage for diagnosis and treatment of mental illnesses under terms and conditions no less extensive than coverage for any other type of health care.

(b) For the purposes of this section, "mental illness" means the following: Schizophrenia, schizoaffective disorder, bipolar disorder, major depressive disorder, obsessive compulsive disorder and panic disorder as such terms are defined in the diagnostic and statistical manual of mental disorders, fourth edition, (DSM-IV, 1994) of the American psychiatric association but shall not include conditions not attributable to a mental disorder that are a focus of attention or treatment.

(c) The provisions of this section shall be applicable to health maintenance organizations organized under article 32 of chapter 40 of the Kansas Statutes Annotated.

(d) The provisions of this section shall not apply to any medicare supplement policy of insurance, as defined by the commissioner of insurance by rule and regulation.

(e) The provisions of this section shall be applicable to the Kansas state employees health care benefits program and municipal funded pools.

(f) The provisions of this section shall not apply to any policy or certificate which provides coverage for any specified disease, specified accident or accident only coverage, credit, dental, disability income, hospital indemnity, long-term care insurance as defined by K.S.A. 40-2227 and amendments thereto, vision care or any other limited supplemental benefit nor to any medicare supplement policy of insurance as defined by

1 the commissioner of insurance by rule and regulation, any coverage issued
2 as a supplement to liability insurance, workers compensation or similar
3 insurance, automobile medical-payment insurance or any insurance un-
4 der which benefits are payable with or without regard to fault, whether
5 written on a group, blanket or individual basis.

6 (g) From and after January 1, 2002, the provisions of K.S.A. 40-2,105,
7 and amendments thereto, shall not apply to mental illnesses as defined
8 in this act.

9 New Sec. 2. The provisions of K.S.A. 40-2249a, and amendments
10 thereto, shall not apply to this act.

11 Sec. 3. On and after January 1, 2002, K.S.A. 40-2,103 is hereby
12 amended to read as follows: 40-2,103. The requirements of K.S.A. 40-
13 2,100, 40-2,101, 40-2,102, 40-2,104, 40-2,105, 40-2,114 ~~and 40-2250, and~~
14 ~~amendments thereto and K.S.A. 40-2,160 and, 40-2,165 through 40-~~
15 ~~2,170, inclusive, 40-2250 and section 1,~~ and amendments thereto, shall
16 apply to all insurance policies, subscriber contracts or certificates of in-
17 surance delivered, renewed or issued for delivery within or outside of this
18 state or used within this state by or for an individual who resides or is
19 employed in this state.

20 Sec. 4. On and after January 1, 2002, K.S.A. 40-2,105 is hereby
21 amended to read as follows: 40-2,105. (a) On or after the effective date
22 of this act, every insurer which issues any individual or group policy of
23 accident and sickness insurance providing medical, surgical or hospital
24 expense coverage for other than specific diseases or accidents only and
25 which provides for reimbursement or indemnity for services rendered to
26 a person covered by such policy in a medical care facility, must provide
27 for reimbursement or indemnity under such individual policy or under
28 such group policy, except as provided in subsection (d), which shall be
29 limited to not less than 30 days per year when such person is confined
30 for treatment of alcoholism, drug abuse or nervous or mental conditions
31 in a medical care facility licensed under the provisions of K.S.A. 65-429
32 and amendments thereto, a treatment facility for alcoholics licensed un-
33 der the provisions of K.S.A. 65-4014 and amendments thereto, a treat-
34 ment facility for drug abusers licensed under the provisions of K.S.A. 65-
35 4605 and amendments thereto, a community mental health center or
36 clinic licensed under the provisions of K.S.A. 75-3307b and amendments
37 thereto or a psychiatric hospital licensed under the provisions of K.S.A.
38 75-3307b and amendments thereto. Such individual policy or such group
39 policy shall also provide for reimbursement or indemnity, except as pro-
40 vided in subsection (d), of the costs of treatment of such person for al-
41 coholism, drug abuse and nervous or mental conditions, limited to not
42 less than 100% of the first \$100, 80% of the next \$100 and 50% of the
43 next \$1,640 in any year and limited to not less than \$7,500 in such person's

1 lifetime, in the facilities enumerated when confinement is not necessary
2 for the treatment or by a physician licensed or psychologist licensed to
3 practice under the laws of the state of Kansas.

4 (b) For the purposes of this section “nervous or mental conditions”
5 means disorders specified in the diagnostic and statistical manual of men-
6 tal disorders, fourth edition, (DSM-IV, 1994) of the American psychiatric
7 association but shall not include conditions ~~not~~:

8 (1) *Not* attributable to a mental disorder that are a focus of attention
9 or treatment (DSM-IV, 1994); *and*

10 (2) *defined as a mental illness in section 1 and amendments thereto.*

11 (c) The provisions of this section shall be applicable to health main-
12 tenance organizations organized under article 32 of chapter 40 of the
13 Kansas Statutes Annotated.

14 (d) There shall be no coverage under the provisions of this section
15 for any assessment against any person required by a diversion agreement
16 or by order of a court to attend an alcohol and drug safety action program
17 certified pursuant to K.S.A. 8-1008 and amendments thereto.

18 (e) The provisions of this section shall not apply to any medicare
19 supplement policy of insurance, as defined by the commissioner of in-
20 surance by rule and regulation.

21 (f) The provisions of this section shall be applicable to the Kansas
22 state employees health care benefits program developed and provided by
23 the Kansas state employees health care commission.

24 (g) The outpatient coverage provisions of this section shall not apply
25 to a high deductible health plan as defined in Section 301 of P.L. 104-
26 191 and any amendments thereto if such plan is purchased in connection
27 with a medical savings account pursuant to that act. After the amount of
28 eligible deductible expenses have been paid by the insured, the outpatient
29 costs of treatment of the insured for alcoholism, drug abuse and nervous
30 or mental conditions shall be paid on the same level they are provided
31 for a medical condition, subject to the yearly and lifetime maximums
32 provided in subsection (a).

33 Sec. 5. On and after January 1, 2002, K.S.A. 40-19c09 is hereby
34 amended to read as follows: 40-19c09. (a) Corporations organized under
35 the nonprofit medical and hospital service corporation act shall be subject
36 to the provisions of the Kansas general corporation code, articles 60 to
37 74, inclusive, of chapter 17 of the Kansas Statutes Annotated, applicable
38 to nonprofit corporations, to the provisions of K.S.A. 40-214, 40-215, 40-
39 216, 40-218, 40-219, 40-222, 40-223, 40-224, 40-225, 40-226, 40-229, 40-
40 230, 40-231, 40-235, 40-236, 40-237, 40-247, 40-248, 40-249, 40-250, 40-
41 251, 40-252, 40-254, 40-2,100, 40-2,101, 40-2,102, 40-2,103, 40-2,104,
42 40-2,105, 40-2,116, 40-2,117, ~~40-2,153, 40-2,154, 40-2,160, 40-2,161, 40-~~
43 ~~2,163 through 40-2,170, inclusive, 40-2a01 et seq., 40-2111 to 40-2116,~~

1 inclusive, 40-2215 to 40-2220, inclusive, 40-2221a, 40-2221b, 40-2229,
2 40-2230, 40-2250, 40-2251, 40-2253, 40-2254, 40-2401 to 40-2421, inclu-
3 sive, and 40-3301 to 40-3313, inclusive, ~~K.S.A. 40-2,153, 40-2,154, 40-~~
4 ~~2,160, 40-2,161, 40-2,163, 40-2,164 and 40-2,165 through 40-2,170 and~~
5 ~~section 1~~, and amendments thereto, except as the context otherwise re-
6 quires, and shall not be subject to any other provisions of the insurance
7 code except as expressly provided in this act.

8 (b) No policy, agreement, contract or certificate issued by a corpo-
9 ration to which this section applies shall contain a provision which ex-
10 cludes, limits or otherwise restricts coverage because medicaid benefits
11 as permitted by title XIX of the social security act of 1965 are or may be
12 available for the same accident or illness.

13 (c) Violation of subsection (b) shall be subject to the penalties pre-
14 scribed by K.S.A. 40-2407 and 40-2411, and amendments thereto.

15 New Sec. 6. Sections 1 and 2, and amendments thereto, shall be
16 known as the Kansas mental health parity act.

17 Sec. 7. On January 1, 2002, K.S.A. 40-2,103, 40-2,105 and 40-19c09
18 are hereby repealed.

19 Sec. 8. This act shall take effect and be in force from and after its
20 publication in the statute book.

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