

SESSION OF 2008

**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR HOUSE BILL NO. 2601**

As Amended by House Committee of the Whole

Brief*

Reimbursement for Mental Health Services

Sub. for HB 2601 would amend insurance law to require reimbursement for certain health professionals for services rendered and to require coverage for colorectal cancer screening. The bill also would amend provisions in insurance law relating to the review of proposed mandated coverages by health insurers.

The bill would require that whenever a health insurance policy or contract provides reimbursement for any mental health service within the lawful scope of three professions regulated by the Behavioral Sciences Regulatory Board (Licensed Clinical Marriage and Family Therapists; Licensed Clinical Professional Counselors; and Licensed Clinical Psychotherapists) for services rendered, the insured individual is entitled to reimbursement regardless of whether the service was provided by a licensed physician or any of the professions identified in the bill.

The bill is not to be construed to expand requirements of KSA 40-2,105 (alcoholism, drug abuse or nervous mental conditions) and 40-2,105a (the Kansas Mental Health Parity Act).

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Colorectal Cancer Screening

The bill would require individual and group health insurance policies, contracts, or certificates issued, delivered, or renewed on and after January 1, 2009, including the State Employee Health Benefit Program and the municipal group funded pool, within Kansas to provide coverage for colorectal cancer examinations and laboratory tests specified in the current American Cancer Society guidelines. The coverage or benefits are to be provided for all colorectal screening examinations and tests that are administered at a frequency identified in the current American Cancer Society guidelines for colorectal cancer.

The bill would require that these benefits must be provided for insured individuals who are at least 50 years of age, or those who are less than 50 years of age and are at a high risk for colorectal cancer according to the American Cancer Society's current guidelines for colorectal cancer screening. The bill further states that to encourage cancer screening, patients and health care providers would not be required to meet burdensome criteria or overcome significant obstacles to secure such coverage. The coverage required by the bill would be subject to the same annual deductibles, copayments or coinsurance limits that have been established for all other covered benefits under the individual or group health insurance policy.

The coverage requirement would not apply to any policy or certificate that provides coverage for a specified disease or accident, credit, dental, disability income, hospital indemnity, long-term care insurance, vision care, or any other limited supplemental benefit policy. The coverage requirement also would not apply to any Medicare supplement policy, any supplement to liability insurance, workers' compensation or similar insurance, automobile medical-payment insurance or any insurance under which benefits are payable with or without regard to fault.

Impact of Proposed Mandated Coverages

The bill also would amend the current practice for the review of proposed mandated coverages. KSA 40-2248 would be amended to specify that prior to consideration by the Kansas Legislature of any legislation that mandates health insurance coverage, the sponsor of the proposal shall request the Legislature direct the Kansas Health Policy Authority (Authority) to conduct a study of the proposal and determine the social and financial effects of the proposed mandated coverage. The Authority would be required to conduct the study and submit an impact report to the appropriate legislative committees. The Insurance Commissioner would be required to cooperate with, assist and provide information to aid the Authority in developing the report. KSA 40-2249 would be amended to clarify that impact report required to be prepared by the Authority under the bill would include, at minimum, the social impact and financial impact provisions addressed in this statute.

Background

The House Committee on Insurance and Financial Institutions recommended the introduction of a substitute bill. The substitute bill deletes the language of HB 2601 (introduced in the 2007 Legislative Session) and inserts the provisions of 2008 HB 2696. The deleted language also addressed the reimbursement of certain professionals licensed by the Behavioral Sciences Regulatory Board for services rendered.

The provisions in the substitute bill were requested by the Mental Health Credentialing Coalition whose representatives indicated that, while there is no difference regarding the diagnosis and treatment of mental disorders for the five types of licensees of the Behavioral Sciences Regulatory Board (Licensed Psychologists; Licensed Specialist Clinical Social Workers; Licensed Clinical Marriage and Family Therapists; Licensed Clinical Professional Counselors; and Licensed Clinical Psychotherapists), there is a disparity of insurance reimbursement provided in current Kansas law. Testimony in

support of the bill also was provided by a representative of the Kansas Association of Masters in Psychology who stated that Blue Cross Blue Shield of Kansas will not reimburse Licensed Clinical Psychotherapists in independent practice but will reimburse for services rendered if they are seeing patients at a Community Mental Health Center.

Opponents to the bill included a representative of the Kansas Psychological Association who stated that the Association represents doctoral level psychologists and, although it does not oppose vendorship for the practitioners represented by the Mental Health Credentialing Coalition, the Kansas Legislature has identified a clear and established procedure by which mandates are to be issued. A representative of Blue Cross Blue Shield of Kansas stated that Blue Cross has chosen to reimburse for mental health services through the mechanism of the community hospital or mental health center and that proponents of the mandate are obligated to follow state law. Written testimony was provided by the Kansas Association of Health Plans.

The House Committee of the Whole amended the bill to include a requirement on health insurers to provide coverage for colorectal cancer screening (this provision was introduced as 2008 SB 218). Additionally, the Committee of the Whole amended the bill to direct the Kansas Health Policy Authority to assist in the review of proposed mandated health insurance coverages before the Kansas Legislature.

The fiscal note prepared by the Division of the Budget on the provisions included in the substitute bill states that the Kansas Insurance Department indicates there would be additional filings by insurers to accommodate the new requirement, but that the filings would be processed by the current staff. The fiscal note for the colorectal cancer screening coverage provisions (originally written for 2008 SB 218) indicated that the Kansas Insurance Department states that these provisions would require the Department to review and approve all new and previously approved accident and health insurance policy forms that would be submitted by all insurers

in this market. The Department indicates that the provisions of the bill could be implemented within current budget and staffing resources. The Department also states that many insurance policies already provide coverage for colorectal cancer screening. Since the number of insurers that do not currently provide this coverage is not known, a precise fiscal effect on insurers and insurance consumers cannot be estimated. No fiscal note is available for the provisions that address the review and study of proposed mandated health insurance coverages.