

AMENDED IN SENATE APRIL 2, 2013

AMENDED IN SENATE FEBRUARY 26, 2013

SENATE BILL

No. 22

Introduced by Senator Beall

(Coauthors: Senators Correa, De León, DeSaulnier, and Yee)

(Coauthors: Assembly Members Ammiano and Chesbro)

December 3, 2012

An act to add Section 1374.18 to the Health and Safety Code, and to add Section 10144.53 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 22, as amended, Beall. Health care coverage: mental health parity.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts or health insurance policies issued, amended, or renewed on or after July 1, 2000, to provide coverage for the diagnosis and medically necessary treatment of severe mental illnesses, as defined, and of serious emotional disturbances of a child, as specified, under the same terms and conditions applied to other medical conditions.

Existing federal law, the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) requires group health plans and health insurance issuers to ensure that financial requirements and treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant requirements or limitations applied to substantially all

medical and surgical benefits. Existing state law requires individual and small group health care service plan contracts and health insurance policies issued, amended, or renewed on or after January 1, 2014, to comply with MHPAEA.

This bill would, on or after July 1, 2014, require every health care service plan, contractor of a health service plan, and health insurer to submit an annual report to the Department of Managed Health Care or the Department of Insurance, as appropriate, certifying compliance with specified state laws and the MHPAEA, except as provided. The bill would require the reports to be a public record made available upon request and to be published on the respective department's Internet Web site. The bill would require a plan, contractor, and health insurer to provide an analysis of the entity's compliance with the law using certain mental health parity standards and to conduct surveys of enrollees, insureds, and providers as part of the report, as specified. *The bill would prohibit the inclusion of any information that may individually identify enrollees or insureds in the reports submitted to the respective departments pursuant to the provisions described above.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1374.18 is added to the Health and Safety
2 Code, to read:
3 1374.18. (a) On and after July 1, 2014, every health care
4 service plan and contractor of a health care service plan shall
5 submit an annual report to the department certifying compliance
6 with Section ~~1274.72~~ 1374.72 and the federal Paul Wellstone and
7 Pete Domenici Mental Health Parity and Addiction Equity Act of
8 2008 (Public Law 110-343), hereafter referred to as the MHPAEA,
9 its implementing regulations, and all related federal guidance. The
10 annual report shall be a public record made available upon request
11 and shall be published on the department's Internet Web site. The
12 department may hold public hearings on the reports at its own
13 discretion or at the request of any person.
14 (b) The report shall provide an analysis of the plan's or
15 contractor's compliance with Section ~~1274.72~~ 1374.72 and the
16 MHPAEA using all of the elements set forth in those provisions
17 of law, as well as in standards P-MHP 1, P-MHP 2, and P-MHP

1 3 of the American Accreditation HealthCare Commission (URAC)
2 Health Plan Accreditation Guide, Version 7, or any subsequent
3 versions.

4 (c) (1) As part of the report, a plan or contractor shall conduct
5 both of the following:

6 (A) A survey of enrollees to collect responses pertaining to
7 enrollee experiences with mental health and substance use care.

8 (B) A survey of providers to collect responses pertaining to
9 provider experiences with providing mental health and substance
10 use care.

11 (2) The plan or contractor shall use the compliance criteria set
12 forth in the URAC *mental health parity* standards described in
13 subdivision (b) to structure the surveys.

14 (d) *A report submitted to the department pursuant to this section*
15 *shall not include any information that may individually identify*
16 *enrollees, including, but not limited to, medical record numbers,*
17 *names, and addresses.*

18 (e)

19 (e) This section shall not apply to contracts entered into pursuant
20 to Chapter 7 (commencing with Section 14000) or Chapter 8
21 (commencing with Section 14200) of *Part 3 of Division 9* of ~~Part~~
22 ~~3~~ of the Welfare and Institutions Code, between the State
23 Department of Health Care Services and a health care service plan
24 for enrolled Medi-Cal beneficiaries.

25 SEC. 2. Section 10144.53 is added to the Insurance Code, to
26 read:

27 10144.53. (a) On and after July 1, 2014, every health insurer
28 shall submit an annual report to the Department of Insurance
29 certifying that its health insurance policies comply with Section
30 10144.5 and the federal Paul Wellstone and Pete Domenici Mental
31 Health Parity and Addiction Equity Act of 2008 (Public Law
32 110-343), hereafter referred to as the MHPAEA, its implementing
33 regulations, and all related federal guidance. The annual report
34 shall be a public record made available upon request and shall be
35 published on the department's Internet Web site. The department
36 may hold public hearings on the reports at its own discretion or at
37 the request of any person.

38 (b) The report shall provide an analysis of the insurer's
39 compliance with Section 10144.5 and the MHPAEA using all of
40 the elements set forth in those provisions of law, as well as in

1 standards P-MHP 1, P-MHP 2, and P-MHP 3 of the American
2 Accreditation HealthCare Commission (URAC) Health Plan
3 Accreditation Guide, Version 7, or any subsequent versions.

4 (c) (1) As part of the report, an insurer shall conduct both of
5 the following:

6 (A) A survey of insureds to collect responses pertaining to
7 insured’s experiences with mental health and substance use care.

8 (B) A survey of providers to collect responses pertaining to
9 provider ~~experience~~ *experiences* with providing mental health and
10 substance use care.

11 (2) The insurer shall use the compliance criteria set forth in the
12 URAC mental health parity standards described in subdivision (b)
13 to structure the surveys.

14 (d) *A report submitted to the department pursuant to this section*
15 *shall not include any information that may individually identify*
16 *insureds, including, but not limited to, medical record numbers,*
17 *names, and addresses.*

18 ~~(e)~~

19 (e) This section shall not apply to policies or health benefit plans
20 issued pursuant to Chapter 7 (commencing with Section 14000)
21 or Chapter 8 (commencing with Section 14200) of *Part 3 of*
22 *Division 9 of Part 3 of the Welfare and Institutions Code, between*
23 *the State Department of Health Care Services and an insurance*
24 *policy or health benefit plan for enrolled Medi-Cal beneficiaries.*