

May 16, 2000

**S 1254. MENTAL HEALTH/CHEM. DEP PARITY. TO REQUIRE PARITY IN HEALTH INSURANCE COVERAGE FOR MENTAL ILLNESS AND CHEMICAL DEPENDENCY TREATMENT.** Amends GS 58-51-50 and GS 58-3-220 to provide that group health plans must impose the same limits on chemical dependency benefits and mental illness benefits as on physical illness benefits. For group health plans covering ten or more employees, "limits" includes day and visit limits, deductibles, coinsurance factors, co-payments, maximum out-of-pocket limits, annual and lifetime dollar limits, and any other dollar limits for fees for covered services prior to reaching any maximum out-of-pocket limit. For group health plans covering less than ten employees, "limits" includes day and visit limits, maximum out-of-pocket limits, and annual and lifetime dollar limits only. Any out-of-pocket limit for group health plans must be comprehensive for coverage of chemical dependency, mental illness, and physical health conditions. Permits insurers to use case management review to determine medical necessity of treatment and requires utilization review criteria for substance abuse treatment. These amendments apply to group health benefit plans issued or renewed on or after January 1, 2001. Effective January 1, 2004, group health plans covering fewer than ten employees must provide parity on the same limits as group health plans covering ten or more employees. Amends GS 58-65-75 and GS 58-67-70 to require similar chemical dependency parity requirements for group insurance certificates, group subscriber contracts, and health maintenance organization health plans.

Amends GS 58-51-55, GS 58-65-90, and GS 58-67-70 to provide that "mental illness" means a mental disorder defined in the DSM-IV or subsequent edition of the Diagnostic and Statistical Manual of Mental Disorders, except those disorders coded as substance-related disorders and those coded as "V" codes. "Chemical dependency" remains as defined in GS 58-51-50, GS 58-65-75, and 58-67-70, except that it must be listed as a mental disorder in the DSM-IV or subsequent editions of this manual.

**Intro. by Martin of Guilford and Martin of Pitt.**

Ref. to Health Care	GS 58
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