

Bulletin 2000-1

Catastrophic Mental Health Insurance Coverage

In the 2000 legislative session, two provisions of HB 35 extended mental health coverage options to the small group and large group employer market. Subsections 31A-22-625(2) and (3) require insurers and health maintenance organizations to offer mental health coverage to small and large group employers at the time of purchase or at renewal of health insurance coverage. Subsection 31A-22-625(8) provides different effective dates for insurers and health maintenance organizations to begin offering mental health coverage benefits.

The effective dates required by HB35 are:

- January 1, 2001 for health maintenance organizations.
- July 1, 2001 for all other insurers.

HB 35 requires health maintenance organizations and insurers to begin to offer mental health coverage benefits if a new policy or contract is issued or written on or after January 1, 2001 and July 1, 2001, respectively.

Health maintenance organizations and insurers that have contracts in effect on these dates will be required to phase in mental health coverage based on the date the contracts renew. If the date to renew is after the effective dates stated in HB 35, the mental health coverage required by HB 35 must be offered on the renewal date.

Multi-year contracts or policies in effect on the effective dates stated in HB 35 must include mental health coverage benefits on the first anniversary of the effective date of the contract or policy that occurs after the applicable effective date stated in HB 35.

Because questions concerning how the effective dates are to be implemented have been asked, the department provides the following examples as aids in clarifying when mental health coverage is required to be offered under HB 35.

Example A. HMO "X" issued a health benefit plan to a small group employer effective September 1, 2000. The coverage is for six months. The coverage is guaranteed renewable on March 1, 2001. At the time of renewal on March 1, 2001 the HMO must offer the mental health coverage required by HB 35.

Example B. HMO "Y" issued a health benefit plan to a small group employer effective September 1, 2000. The coverage is for one year. The coverage is guaranteed renewable on September 1, 2001. The HMO must offer mental health coverage required by HB 35 on September

1, 2001 to the employer.

Example C. Insurer "X" issued a health insurance policy on January 1, 2001. The policy renews on January 1, 2002. The insurer must offer mental health coverage required by HB 35 on January 1, 2002.

Example D. Insurer "Y" issued a contract agreeing to provide health coverage to a large employer group for three years. The policy is effective December 1, 1999. The insurer must offer mental health coverage to the employer group on December 1, 2001.

Example E. HMO "Z" issued a contract agreeing to provide health coverage to a large employer group for three years. The policy is effective December 1, 1999. The insurer must offer mental health coverage to the employer group on December 1, 2001.

Example F. Insurer "Z" issued a policy providing health coverage to a large employer group effective April 1, 2001. The coverage is for six months. The insurer must offer mental health coverage to the employer group on October 1, 2001.

Insurers and health maintenance organizations are advised that the principles stated in this bulletin will guide the department as it receives questions from consumers and others regarding the provision of mental health benefits under HB 35. The department encourages insurers and health maintenance organizations to observe these guidelines as they implement the requirements of HB 35. Mental health coverage benefits provided consistent with these guidelines will not be investigated by the department as violations of the effective dates stated in HB 35.

Dated this 13th day of April 2000.

Stewart

Commissioner

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Insurance

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