

SB06-005 Bill Analysis

For the Health District of Northern Larimer County Board of Directors

February 15, 2006

Bill Title: Concerning Mental Health Services Coverage Under Health Benefit Plans

Summary: Requires an individual or group health benefit plan that provides coverage for mental health services to provide coverage for services regardless of whether the services are voluntary or court-ordered as a result of contact with the criminal or juvenile justice system.

Sponsors: Senate – Windels, Kester and Takis/ House- Solano and Jahn

Committees: Health and Human Services

History: 1/11/06 Introduced in Senate, assigned to HHS; 1/26/06 HHS hearing, bill passed unamended to Senate; 2/3/06 passed second reading; 2/6/06, passed third reading, Introduced in the House and assigned to HHS

Estimated Date of Next Action:

Date of Analysis: 2/09/06

Prepared by: Carrie Cortiglio

Priority:

Background

This bill is the result of work done by the Task Force for the Continuing Examination of the Treatment of Persons with Mental Illness who are involved in the Juvenile Justice System. The Task Force was directed by SB04-037 to develop a framework for addressing the needs of youth with mental illness and co-occurring disorders. The Task Force conducted research that included the facilitation of focus groups, an online survey, and research on best practices. This legislation is one of two bills produced by the Task Force.

SB 005 requires a health benefit plan to provide coverage of mental health services if such services are part of the contracted benefit under the plan whether the treatment is voluntary or court-ordered. The bill does not mandate mental health treatment coverage. Services are provided by the health plans under the following conditions:

- The treatment falls within the scope of the contracted benefit under the plan
- The treatment is determined to be medically necessary by the health plan
- The treatment is rendered by a provider who is designated and affiliated with the health plan
- The treatment is subject to the co-payment, deductible, and policy maximums and limitations

Why is this issue important?

Access to treatment is an important issue for the Mental Health/Substance Abuse Partnership. During testimony in support of the bill, Pilar Ingargiola of Consultants for Systems Integration who wrote the Task Force report, acknowledged that the problem of insurance payment for court-ordered mental health treatment does not affect a majority of people facing court-ordered treatment. However, for the small minority of people who do have this kind of coverage under their health benefit plan but are unable to access it because treatment is court-ordered, this bill allows them to avoid the financial burden of paying for treatment out of pocket. It increases affordable access to needed treatment for those who have this kind of coverage in their health plans.

Reasons to support bill:

- Cost can be a major barrier to getting treatment.
- The bill increases affordable access to needed treatment for those who have this kind of coverage in their health plans.
- The bill does not require health plans to provide mental health treatment. It is not a mandate to increase benefits.
- There is not a fiscal cost to the state.

Groups who support:

Mental Health Association of Colorado (MHAC)

Colorado Behavioral Healthcare Council (CBHC)

Reasons to oppose bill:

- This bill could be seen as imposing on health carriers' ability to determine the terms of their contract.
- Although it does not mandate coverage, it does increase costs for insurers who would otherwise not have paid for court-ordered treatment.

Groups that oppose:

There was no testimony in opposition to the bill at the hearing.

About this Analysis

This analysis was prepared by Health District of Northern Larimer County staff to assist the Health District Board of Directors in determining whether to take an official stand on various health-related issues. Analyses are based on bills or issues at the time of their consideration by the Board and are accurate to the best of staff knowledge. It is suggested that people check to see that a bill has not changed during the course of a legislative session by visiting the Colorado General Assembly web page at www.state.co.us/gov_dir/stateleg.html. To see whether the Health District Board of Directors took a position on this or other policy issues, please visit www.healthdistrict.org/policy.

About the Health District

The Health District is a special district of the northern two-thirds of Larimer County, Colorado, supported by local property tax dollars and governed by a publicly elected five-member board. The Health District provides medical, mental health, dental, preventive and health planning services to the communities it serves.

For more information about this analysis or the Health District, please contact Carrie Cortiglio