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**SUBSTITUTE SENATE BILL 5211**

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**State of Washington****57th Legislature****2001 Regular Session**

**By** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Thibaudeau, Long, Spanel, Winsley, B. Sheldon, Swecker, Fraser, Kohl-Welles, Kline, Carlson, Eide, Rasmussen, Fairley, McCaslin, Franklin, Haugen, Oke, Costa, McAuliffe, Prentice, Jacobsen, Constantine and Regala)

READ FIRST TIME 02/28/01.

1 AN ACT Relating to comparable mental health benefits; amending RCW  
2 48.21.240, 48.44.340, and 48.46.290; adding a new section to chapter  
3 41.05 RCW; adding a new section to chapter 48.21 RCW; adding a new  
4 section to chapter 48.44 RCW; adding a new section to chapter 48.46  
5 RCW; creating new sections; and providing an effective date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** Children are our future. We spend millions  
8 of dollars educating Washington state children to ensure their success.  
9 In order for our children to learn, they must be healthy. They need  
10 strong minds as well as strong bodies. Yet according to Washington  
11 state data, one or two children in every Washington classroom is  
12 suffering from serious emotional and behavioral problems.

13 But without adequate mental health insurance coverage for children,  
14 families are often unable to pay for needed treatment. As a result,  
15 many children do not receive the services they need. The costs of this  
16 are enormous, often including increased disability costs, deteriorating  
17 school performance, increased use of other health care services,  
18 treatment delays leading to more costly treatments, suicide, family

1 breakdown and impoverishment, violence, and institutionalization,  
2 whether in hospitals, juvenile detention, jails, or prisons.

3 The current disparity between insurance coverage for mental health  
4 services and coverage for medical and surgical services threatens the  
5 financial stability of many families and places Washington state  
6 children at risk. The legislature therefore intends to address this  
7 disparity and require a minimum level of mental health coverage for  
8 children.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.05 RCW  
10 to read as follows:

11 (1) For the purpose of this section, "mental health services" means  
12 outpatient therapy and inpatient services provided to treat any of the  
13 mental disorders covered by the diagnostic categories listed in the  
14 most current version of the diagnostic and statistical manual of mental  
15 disorders on the effective date of this section, or such subsequent  
16 date as may be provided by the board by rule, consistent with the  
17 purposes of chapter . . . , Laws of 2001 (this act), except V codes and  
18 those codes defining substance abuse disorders, 291.0 through 292.9 and  
19 303.0 through 305.9 as of the effective date of this section.

20 (2) Each health benefit plan offered under this chapter that is not  
21 subject to Title 48 RCW that provides coverage for medical and surgical  
22 services shall provide, for any covered dependent other than a spouse  
23 or domestic partner, coverage of:

24 (a) Mental health services for a minimum of fifteen inpatient days  
25 and thirty outpatient therapy visits per plan year. The copay or  
26 coinsurance for each of these days or visits may be no more than the  
27 copay or coinsurance for an outpatient visit or inpatient day for  
28 medical and surgical services otherwise provided under the plan. If a  
29 plan imposes a deductible, it shall be a single deductible for medical,  
30 surgical, and mental health services; and

31 (b) Prescription drugs intended to treat any of the disorders  
32 covered in subsection (1) of this section to the same extent, and under  
33 the same terms and conditions, as other prescription drugs covered by  
34 the plan.

35 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.21 RCW  
36 to read as follows:

1 (1) For the purpose of this section, "mental health services" means  
2 outpatient therapy and inpatient services provided to treat any of the  
3 mental disorders covered by the diagnostic categories listed in the  
4 most current version of the diagnostic and statistical manual of mental  
5 disorders on the effective date of this section, or such subsequent  
6 date as may be provided by the insurance commissioner by rule,  
7 consistent with the purposes of chapter . . . , Laws of 2001 (this act),  
8 except V codes and those codes defining substance abuse disorders,  
9 291.0 through 292.9 and 303.0 through 305.9 as of the effective date of  
10 this section.

11 (2) All group disability insurance contracts and blanket disability  
12 insurance contracts providing health benefit plans to groups of twenty-  
13 five or more that provide coverage for medical and surgical services  
14 shall provide, for any covered dependent other than a spouse or  
15 domestic partner, coverage of:

16 (a) Mental health services for a minimum of thirty outpatient  
17 therapy visits and fifteen inpatient days per plan year. The copay or  
18 coinsurance for each of these visits or days may be no more than the  
19 copay or coinsurance for an outpatient visit or inpatient day for  
20 medical and surgical services otherwise provided under the plan. If a  
21 plan imposes a deductible, it shall be a single deductible for medical,  
22 surgical, and mental health services; and

23 (b) Prescription drugs intended to treat any of the disorders  
24 covered in subsection (1) of this section to the same extent, and under  
25 the same terms and conditions, as other prescription drugs covered by  
26 the plan.

27 NEW SECTION. **Sec. 4.** A new section is added to chapter 48.44 RCW  
28 to read as follows:

29 (1) For the purpose of this section, "mental health services" means  
30 outpatient therapy and inpatient services provided to treat any of the  
31 mental disorders covered by the diagnostic categories listed in the  
32 most current version of the diagnostic and statistical manual of mental  
33 disorders on the effective date of this section, or such subsequent  
34 date as may be provided by the insurance commissioner by rule,  
35 consistent with the purposes of chapter . . . , Laws of 2001 (this act),  
36 except V codes and those codes defining substance abuse disorders,  
37 291.0 through 292.9 and 303.0 through 305.9 as of the effective date of  
38 this section.

1 (2) All health service contracts providing health benefit plan  
2 coverage to groups of twenty-five or more that provide coverage for  
3 medical and surgical services shall provide, for any covered dependent  
4 other than a spouse or domestic partner, coverage of:

5 (a) Mental health services for a minimum of thirty outpatient  
6 therapy visits and fifteen inpatient days per plan year. The copay or  
7 coinsurance for each of these visits or days may be no more than the  
8 copay or coinsurance for an outpatient visit or inpatient day for  
9 medical and surgical services otherwise provided under the plan. If a  
10 plan imposes a deductible, it shall be a single deductible for medical,  
11 surgical, and mental health services; and

12 (b) Prescription drugs intended to treat any of the disorders  
13 covered in subsection (1) of this section to the same extent, and under  
14 the same terms and conditions, as other prescription drugs covered by  
15 the plan.

16 NEW SECTION. **Sec. 5.** A new section is added to chapter 48.46 RCW  
17 to read as follows:

18 (1) For the purpose of this section, "mental health services" means  
19 outpatient therapy and inpatient services provided to treat any of the  
20 mental disorders covered by the diagnostic categories listed in the  
21 most current version of the diagnostic and statistical manual of mental  
22 disorders on the effective date of this section, or such subsequent  
23 date as may be provided by the insurance commissioner by rule,  
24 consistent with the purposes of chapter . . . , Laws of 2001 (this act),  
25 except V codes and those codes defining substance abuse disorders,  
26 291.0 through 292.9 and 303.0 through 305.9 as of the effective date of  
27 this section.

28 (2) All health benefit plans of health maintenance organizations  
29 for groups of twenty-five or more that provide coverage for medical and  
30 surgical services shall provide, for any covered dependent other than  
31 a spouse or domestic partner, coverage of:

32 (a) Mental health services for a minimum of thirty outpatient  
33 therapy visits and fifteen inpatient days per plan year. The copay or  
34 coinsurance for each of these visits or days may be no more than the  
35 copay or coinsurance for an outpatient visit or inpatient day for  
36 medical and surgical services otherwise provided under the plan. If a  
37 plan imposes a deductible, it shall be a single deductible for medical,  
38 surgical, and mental health services; and

1 (b) Prescription drugs intended to treat any of the disorders  
2 covered in subsection (1) of this section to the same extent, and under  
3 the same terms and conditions, as other prescription drugs covered by  
4 the plan.

5 **Sec. 6.** RCW 48.21.240 and 1987 c 283 s 3 are each amended to read  
6 as follows:

7 (1) In addition to the coverage it is required to provide under  
8 section 3 of this act, each group insurer providing disability  
9 insurance coverage in this state for hospital or medical care under  
10 contracts which are issued, delivered, or renewed in this state on or  
11 after July 1, 1986, shall offer optional supplemental coverage for  
12 mental health treatment for the insured and the insured's covered  
13 dependents.

14 (2) Benefits shall be provided under the optional supplemental  
15 coverage for mental health treatment whether treatment is rendered by:  
16 (a) A physician licensed under chapter 18.71 or 18.57 RCW; (b) a  
17 psychologist licensed under chapter 18.83 RCW; (c) a community mental  
18 health agency licensed by the department of social and health services  
19 pursuant to chapter 71.24 RCW; or (d) a state hospital as defined in  
20 RCW 72.23.010. The treatment shall be covered at the usual and  
21 customary rates for such treatment. The insurer, health care service  
22 contractor, or health maintenance organization providing optional  
23 coverage under the provisions of this section for mental health  
24 services may establish separate usual and customary rates for services  
25 rendered by physicians licensed under chapter 18.71 or 18.57 RCW,  
26 psychologists licensed under chapter 18.83 RCW, and community mental  
27 health centers licensed under chapter 71.24 RCW and state hospitals as  
28 defined in RCW 72.23.010. However, the treatment may be subject to  
29 contract provisions with respect to reasonable deductible amounts or  
30 copayments. In order to qualify for coverage under this section, a  
31 licensed community mental health agency shall have in effect a plan for  
32 quality assurance and peer review, and the treatment shall be  
33 supervised by a physician licensed under chapter 18.71 or 18.57 RCW or  
34 by a psychologist licensed under chapter 18.83 RCW.

35 (3) The group disability insurance contract may provide that all  
36 the coverage for mental health treatment is waived for all covered  
37 members if the contract holder so states in advance in writing to the  
38 insurer.

1 (4) This section shall not apply to a group disability insurance  
2 contract that has been entered into in accordance with a collective  
3 bargaining agreement between management and labor representatives prior  
4 to March 1, 1987.

5 **Sec. 7.** RCW 48.44.340 and 1987 c 283 s 4 are each amended to read  
6 as follows:

7 (1) In addition to the coverage it is required to provide under  
8 section 4 of this act, each health care service contractor providing  
9 hospital or medical services or benefits in this state under group  
10 contracts for health care services under this chapter which are issued,  
11 delivered, or renewed in this state on or after July 1, 1986, shall  
12 offer optional supplemental coverage for mental health treatment for  
13 the insured and the insured's covered dependents.

14 (2) Benefits shall be provided under the optional supplemental  
15 coverage for mental health treatment whether treatment is rendered by:  
16 (a) A physician licensed under chapter 18.71 or 18.57 RCW; (b) a  
17 psychologist licensed under chapter 18.83 RCW; (c) a community mental  
18 health agency licensed by the department of social and health services  
19 pursuant to chapter 71.24 RCW; or (d) a state hospital as defined in  
20 RCW 72.23.010. The treatment shall be covered at the usual and  
21 customary rates for such treatment. The insurer, health care service  
22 contractor, or health maintenance organization providing optional  
23 coverage under the provisions of this section for mental health  
24 services may establish separate usual and customary rates for services  
25 rendered by physicians licensed under chapter 18.71 or 18.57 RCW,  
26 psychologists licensed under chapter 18.83 RCW, and community mental  
27 health centers licensed under chapter 71.24 RCW and state hospitals as  
28 defined in RCW 72.23.010. However, the treatment may be subject to  
29 contract provisions with respect to reasonable deductible amounts or  
30 copayments. In order to qualify for coverage under this section, a  
31 licensed community mental health agency shall have in effect a plan for  
32 quality assurance and peer review, and the treatment shall be  
33 supervised by a physician licensed under chapter 18.71 or 18.57 RCW or  
34 by a psychologist licensed under chapter 18.83 RCW.

35 (3) The group contract for health care services may provide that  
36 all the coverage for mental health treatment is waived for all covered  
37 members if the contract holder so states in advance in writing to the  
38 health care service contractor.

1 (4) This section shall not apply to a group health care service  
2 contract that has been entered into in accordance with a collective  
3 bargaining agreement between management and labor representatives prior  
4 to March 1, 1987.

5 **Sec. 8.** RCW 48.46.290 and 1987 c 283 s 5 are each amended to read  
6 as follows:

7 (1) In addition to the coverage it is required to provide under  
8 section 5 of this act, each health maintenance organization providing  
9 services or benefits for hospital or medical care coverage in this  
10 state under group health maintenance agreements which are issued,  
11 delivered, or renewed in this state on or after July 1, 1986, shall  
12 offer optional supplemental coverage for mental health treatment to the  
13 enrolled participant and the enrolled participant's covered dependents.

14 (2) Benefits shall be provided under the optional supplemental  
15 coverage for mental health treatment whether treatment is rendered by  
16 the health maintenance organization or the health maintenance  
17 organization refers the enrolled participant or the enrolled  
18 participant's covered dependents for treatment to: (a) A physician  
19 licensed under chapter 18.71 or 18.57 RCW; (b) a psychologist licensed  
20 under chapter 18.83 RCW; (c) a community mental health agency licensed  
21 by the department of social and health services pursuant to chapter  
22 71.24 RCW; or (d) a state hospital as defined in RCW 72.23.010. The  
23 treatment shall be covered at the usual and customary rates for such  
24 treatment. The insurer, health care service contractor, or health  
25 maintenance organization providing optional coverage under the  
26 provisions of this section for mental health services may establish  
27 separate usual and customary rates for services rendered by physicians  
28 licensed under chapter 18.71 or 18.57 RCW, psychologists licensed under  
29 chapter 18.83 RCW, and community mental health centers licensed under  
30 chapter 71.24 RCW and state hospitals as defined in RCW 72.23.010.  
31 However, the treatment may be subject to contract provisions with  
32 respect to reasonable deductible amounts or copayments. In order to  
33 qualify for coverage under this section, a licensed community mental  
34 health agency shall have in effect a plan for quality assurance and  
35 peer review, and the treatment shall be supervised by a physician  
36 licensed under chapter 18.71 or 18.57 RCW or by a psychologist licensed  
37 under chapter 18.83 RCW.

1 (3) The group health maintenance agreement may provide that all the  
2 coverage for mental health treatment is waived for all covered members  
3 if the contract holder so states in advance in writing to the health  
4 maintenance organization.

5 (4) This section shall not apply to a group health maintenance  
6 agreement that has been entered into in accordance with a collective  
7 bargaining agreement between management and labor representatives prior  
8 to March 1, 1987.

9 NEW SECTION. **Sec. 9.** Any increase in the cost of plans offered by  
10 the public employees' benefits board due to the implementation of this  
11 act shall not be paid for by the state or any political subdivision of  
12 the state, but shall be accommodated through changes in the benefit  
13 design or amount of enrollee cost-sharing for such plans as determined  
14 by the public employees' benefits board.

15 NEW SECTION. **Sec. 10.** Any increase in the cost of a health plan  
16 offered by a private employer due to implementation of this act need  
17 not be paid for by the employer, but may be accommodated through  
18 changes in the benefit design or amount of enrollee cost-sharing for  
19 the plan.

20 NEW SECTION. **Sec. 11.** The insurance commissioner may adopt rules  
21 to implement sections 3 through 5 of this act.

22 NEW SECTION. **Sec. 12.** This act takes effect January 1, 2002.

23 NEW SECTION. **Sec. 13.** If any provision of this act or its  
24 application to any person or circumstance is held invalid, the  
25 remainder of the act or the application of the provision to other  
26 persons or circumstances is not affected.

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