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**SUBSTITUTE HOUSE BILL 1828**

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**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Schual-Berke, Pflug, Cody, Hankins, Linville, Skinner, Cooper, Alexander, Ruderman, Delvin, McDermott, Ericksen, Campbell, Santos, Haigh, Quall, Upthegrove, Simpson, Hatfield, Kessler, Conway and Kenney)

READ FIRST TIME 03/05/03.

1 AN ACT Relating to mental health parity; amending RCW 48.21.240,  
2 48.44.340, and 48.46.290; adding new sections to chapter 41.05 RCW;  
3 adding a new section to chapter 48.21 RCW; adding a new section to  
4 chapter 48.44 RCW; adding a new section to chapter 48.46 RCW; adding  
5 new sections to chapter 70.47 RCW; adding a new section to chapter  
6 48.02 RCW; creating a new section; and declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** The legislature finds that the costs of  
9 leaving mental disorders untreated or undertreated are significant, and  
10 often include: Decreased job productivity, loss of employment,  
11 increased disability costs, deteriorating school performance, increased  
12 use of other health services, treatment delays leading to more costly  
13 treatments, suicide, family breakdown and impoverishment, and  
14 institutionalization, whether in hospitals, juvenile detention, jails,  
15 or prisons.

16 Treatable mental disorders are prevalent and often have a high  
17 impact on health and productive life. The legislature finds that the  
18 potential benefits of improved access to mental health services are

1 significant. Additionally, the legislature declares that it is not  
2 cost-effective to treat persons with mental disorders differently than  
3 persons with medical and surgical disorders.

4 Therefore, the legislature intends to require that insurance  
5 coverage be at parity for mental health services, which means this  
6 coverage be delivered under the same terms and conditions as medical  
7 and surgical services.

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

10 (1) For the purposes of this section, "mental health services"  
11 means medically necessary outpatient and inpatient services provided to  
12 treat mental disorders covered by the diagnostic categories listed in  
13 the most current version of the diagnostic and statistical manual of  
14 mental disorders, published by the American psychiatric association, on  
15 the effective date of this section, or such subsequent date as may be  
16 provided by the administrator by rule, consistent with the purposes of  
17 this act, with the exception of the following categories, codes, and  
18 services: (a) Substance related disorders; (b) life transition  
19 problems, currently referred to as "V" codes, and diagnostic codes 302  
20 through 302.9 as found in the diagnostic and statistical manual of  
21 mental disorders, 4th edition, published by the American psychiatric  
22 association; (c) skilled nursing facility services, home health care,  
23 residential treatment, and custodial care; and (d) court ordered  
24 treatment unless the authority's or contracted insuring entity's  
25 medical director determines the treatment to be medically necessary.

26 (2) All health benefit plans offered to public employees and their  
27 covered dependents under this chapter that provide coverage for medical  
28 and surgical services shall provide:

29 (a) For all health benefit plans established or renewed on or after  
30 July 1, 2003, coverage for:

31 (i) Mental health services. The copayment or coinsurance for these  
32 services may be no more than the copayment or coinsurance for medical  
33 and surgical services otherwise provided under the health benefit plan.  
34 Wellness and preventive services that are provided or reimbursed at a  
35 lesser copayment, coinsurance, or other cost sharing than other medical  
36 and surgical services are excluded from this comparison; and

1 (ii) 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 health benefit plan.

5 (b) For all health benefit plans established or renewed on or after  
6 January 1, 2006, coverage for:

7 (i) Mental health services. The copayment or coinsurance for these  
8 services may be no more than the copayment or coinsurance for medical  
9 and surgical services otherwise provided under the health benefit plan.  
10 Wellness and preventive services that are provided or reimbursed at a  
11 lesser copayment, coinsurance, or other cost sharing than other medical  
12 and surgical services are excluded from this comparison. If the health  
13 benefit plan imposes a maximum out-of-pocket limit or stop loss, it  
14 shall be a single limit or stop loss for medical, surgical, and mental  
15 health services; and

16 (ii) Prescription drugs intended to treat any of the disorders  
17 covered in subsection (1) of this section to the same extent, and under  
18 the same terms and conditions, as other prescription drugs covered by  
19 the health benefit plan.

20 (c) For all health benefit plans established or renewed on or after  
21 July 1, 2008, coverage for:

22 (i) Mental health services. The copayment or coinsurance for these  
23 services may be no more than the copayment or coinsurance for medical  
24 and surgical services otherwise provided under the health benefit plan.  
25 Wellness and preventive services that are provided or reimbursed at a  
26 lesser copayment, coinsurance, or other cost sharing than other medical  
27 and surgical services are excluded from this comparison. If the health  
28 benefit plan imposes a maximum out-of-pocket limit or stop loss, it  
29 shall be a single limit or stop loss for medical, surgical, and mental  
30 health services. If the health benefit plan imposes any deductible,  
31 mental health services shall be included with medical and surgical  
32 services for the purpose of meeting the deductible requirement.  
33 Treatment limitations or any other financial requirements on coverage  
34 for mental health services are only allowed if the same limitations or  
35 requirements are imposed on coverage for medical and surgical services;  
36 and

37 (ii) Prescription drugs intended to treat any of the disorders

1 covered in subsection (1) of this section to the same extent, and under  
2 the same terms and conditions, as other prescription drugs covered by  
3 the health benefit plan.

4 (3) In meeting the requirements of subsection (2)(a) and (b) of  
5 this section, health benefit plans may not reduce the number of mental  
6 health outpatient visits or mental health inpatient days below the  
7 level in effect on July 1, 2002.

8 (4) This section does not prohibit a requirement that mental health  
9 services be medically necessary as determined by the medical director  
10 or designee, if a comparable requirement is applicable to medical and  
11 surgical services.

12 (5) Nothing in this section shall be construed to prevent the  
13 management of mental health services.

14 (6) The administrator will consider care management techniques for  
15 mental health services, including but not limited to: (a) Authorized  
16 treatment plans; (b) preauthorization requirements based on the type of  
17 service; (c) concurrent and retrospective utilization review; (d)  
18 utilization management practices; (e) discharge coordination and  
19 planning; and (f) contracting with and using a network of participating  
20 providers.

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

23 (1) For the purposes of this section, "mental health services"  
24 means medically necessary outpatient and inpatient services provided to  
25 treat mental disorders covered by the diagnostic categories listed in  
26 the most current version of the diagnostic and statistical manual of  
27 mental disorders, published by the American psychiatric association, on  
28 the effective date of this section, or such subsequent date as may be  
29 provided by the insurance commissioner by rule, consistent with the  
30 purposes of this act, with the exception of the following categories,  
31 codes, and services: (a) Substance related disorders; (b) life  
32 transition problems, currently referred to as "V" codes, and diagnostic  
33 codes 302 through 302.9 as found in the diagnostic and statistical  
34 manual of mental disorders, 4th edition, published by the American  
35 psychiatric association; (c) skilled nursing facility services, home  
36 health care, residential treatment, and custodial care; and (d) court

1 ordered treatment unless the insurer's medical director or designee  
2 determines the treatment to be medically necessary.

3 (2) All group disability insurance contracts and blanket disability  
4 insurance contracts providing health benefit plans that provide  
5 coverage for medical and surgical services shall provide:

6 (a) For all health benefit plans established or renewed on or after  
7 July 1, 2003, for groups of more than fifty employees coverage for:

8 (i) Mental health services. The copayment or coinsurance for these  
9 services may be no more than the copayment or coinsurance for medical  
10 and surgical services otherwise provided under the health benefit plan.  
11 Wellness and preventive services that are provided or reimbursed at a  
12 lesser copayment, coinsurance, or other cost sharing than other medical  
13 and surgical services are excluded from this comparison; and

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

18 (b) For all health benefit plans established or renewed on or after  
19 January 1, 2006, for groups of more than fifty employees coverage for:

20 (i) Mental health services. The copayment or coinsurance for these  
21 services may be no more than the copayment or coinsurance for medical  
22 and surgical services otherwise provided under the health benefit plan.  
23 Wellness and preventive services that are provided or reimbursed at a  
24 lesser copayment, coinsurance, or other cost sharing than other medical  
25 and surgical services are excluded from this comparison. If the health  
26 benefit plan imposes a maximum out-of-pocket limit or stop loss, it  
27 shall be a single limit or stop loss for medical, surgical, and mental  
28 health services; and

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

33 (c) For all health benefit plans established or renewed on or after  
34 July 1, 2008, for groups of more than fifty employees coverage for:

35 (i) Mental health services. The copayment or coinsurance for these  
36 services may be no more than the copayment or coinsurance for medical  
37 and surgical services otherwise provided under the health benefit plan.  
38 Wellness and preventive services that are provided or reimbursed at a

1 lesser copayment, coinsurance, or other cost sharing than other medical  
2 and surgical services are excluded from this comparison. If the health  
3 benefit plan imposes a maximum out-of-pocket limit or stop loss, it  
4 shall be a single limit or stop loss for medical, surgical, and mental  
5 health services. If the health benefit plan imposes any deductible,  
6 mental health services shall be included with medical and surgical  
7 services for the purpose of meeting the deductible requirement.  
8 Treatment limitations or any other financial requirements on coverage  
9 for mental health services are only allowed if the same limitations or  
10 requirements are imposed on coverage for medical and surgical services;  
11 and

12 (ii) 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 health benefit plan.

16 (3) In meeting the requirements of subsection (2)(a) and (b) of  
17 this section, health benefit plans may not reduce the number of mental  
18 health outpatient visits or mental health inpatient days below the  
19 level in effect on July 1, 2002.

20 (4) This section does not prohibit a requirement that mental health  
21 services be medically necessary as determined by the medical director  
22 or designee, if a comparable requirement is applicable to medical and  
23 surgical services.

24 (5) Nothing in this section shall be construed to prevent the  
25 management of mental health services.

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

28 (1) For the purposes of this section, "mental health services"  
29 means medically necessary outpatient and inpatient services provided to  
30 treat mental disorders covered by the diagnostic categories listed in  
31 the most current version of the diagnostic and statistical manual of  
32 mental disorders, published by the American psychiatric association, on  
33 the effective date of this section, or such subsequent date as may be  
34 provided by the insurance commissioner by rule, consistent with the  
35 purposes of this act, with the exception of the following categories,  
36 codes, and services: (a) Substance related disorders; (b) life  
37 transition problems, currently referred to as "V" codes, and diagnostic

1 codes 302 through 302.9 as found in the diagnostic and statistical  
2 manual of mental disorders, 4th edition, published by the American  
3 psychiatric association; (c) skilled nursing facility services, home  
4 health care, residential treatment, and custodial care; and (d) court  
5 ordered treatment unless the health care service contractor's medical  
6 director or designee determines the treatment to be medically  
7 necessary.

8 (2) All health service contracts providing health benefit plans  
9 that provide coverage for medical and surgical services shall provide:

10 (a) For all health benefit plans established or renewed on or after  
11 July 1, 2003, for groups of more than fifty employees coverage for:

12 (i) Mental health services. The copayment or coinsurance for these  
13 services may be no more than the copayment or coinsurance for medical  
14 and surgical services otherwise provided under the health benefit plan.  
15 Wellness and preventive services that are provided or reimbursed at a  
16 lesser copayment, coinsurance, or other cost sharing than other medical  
17 and surgical services are excluded from this comparison; and

18 (ii) Prescription drugs intended to treat any of the disorders  
19 covered in subsection (1) of this section to the same extent, and under  
20 the same terms and conditions, as other prescription drugs covered by  
21 the health benefit plan.

22 (b) For all health benefit plans established or renewed on or after  
23 January 1, 2006, for groups of more than fifty employees coverage for:

24 (i) Mental health services. The copayment or coinsurance for these  
25 services may be no more than the copayment or coinsurance for medical  
26 and surgical services otherwise provided under the health benefit plan.  
27 Wellness and preventive services that are provided or reimbursed at a  
28 lesser copayment, coinsurance, or other cost sharing than other medical  
29 and surgical services are excluded from this comparison. If the health  
30 benefit plan imposes a maximum out-of-pocket limit or stop loss, it  
31 shall be a single limit or stop loss for medical, surgical, and mental  
32 health services; and

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

37 (c) For all health benefit plans established or renewed on or after  
38 July 1, 2008, for groups of more than fifty employees coverage for:

1 (i) Mental health services. The copayment or coinsurance for these  
2 services may be no more than the copayment or coinsurance for medical  
3 and surgical services otherwise provided under the health benefit plan.  
4 Wellness and preventive services that are provided or reimbursed at a  
5 lesser copayment, coinsurance, or other cost sharing than other medical  
6 and surgical services are excluded from this comparison. If the health  
7 benefit plan imposes a maximum out-of-pocket limit or stop loss, it  
8 shall be a single limit or stop loss for medical, surgical, and mental  
9 health services. If the health benefit plan imposes any deductible,  
10 mental health services shall be included with medical and surgical  
11 services for the purpose of meeting the deductible requirement.  
12 Treatment limitations or any other financial requirements on coverage  
13 for mental health services are only allowed if the same limitations or  
14 requirements are imposed on coverage for medical and surgical services;  
15 and

16 (ii) Prescription drugs intended to treat any of the disorders  
17 covered in subsection (1) of this section to the same extent, and under  
18 the same terms and conditions, as other prescription drugs covered by  
19 the health benefit plan.

20 (3) In meeting the requirements of subsection (2)(a) and (b) of  
21 this section, health benefit plans may not reduce the number of mental  
22 health outpatient visits or mental health inpatient days below the  
23 level in effect on July 1, 2002.

24 (4) This section does not prohibit a requirement that mental health  
25 services be medically necessary as determined by the medical director  
26 or designee, if a comparable requirement is applicable to medical and  
27 surgical services.

28 (5) Nothing in this section shall be construed to prevent the  
29 management of mental health services.

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

32 (1) For the purposes of this section, "mental health services"  
33 means medically necessary outpatient and inpatient services provided to  
34 treat mental disorders covered by the diagnostic categories listed in  
35 the most current version of the diagnostic and statistical manual of  
36 mental disorders, published by the American psychiatric association, on  
37 the effective date of this section, or such subsequent date as may be



1 provided by the insurance commissioner by rule, consistent with the  
2 purposes of this act, with the exception of the following categories,  
3 codes, and services: (a) Substance related disorders; (b) life  
4 transition problems, currently referred to as "V" codes, and diagnostic  
5 codes 302 through 302.9 as found in the diagnostic and statistical  
6 manual of mental disorders, 4th edition, published by the American  
7 psychiatric association; (c) skilled nursing facility services, home  
8 health care, residential treatment, and custodial care; and (d) court  
9 ordered treatment unless the health maintenance organization's medical  
10 director or designee determines the treatment to be medically  
11 necessary.

12 (2) All health benefit plans offered by health maintenance  
13 organizations that provide coverage for medical and surgical services  
14 shall provide:

15 (a) For all health benefit plans established or renewed on or after  
16 July 1, 2003, for groups of more than fifty employees coverage for:

17 (i) Mental health services. The copayment or coinsurance for these  
18 services may be no more than the copayment or coinsurance for medical  
19 and surgical services otherwise provided under the health benefit plan.  
20 Wellness and preventive services that are provided or reimbursed at a  
21 lesser copayment, coinsurance, or other cost sharing than other medical  
22 and surgical services are excluded from this comparison; and

23 (ii) 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 health benefit plan.

27 (b) For all health benefit plans established or renewed on or after  
28 January 1, 2006, for groups of more than fifty employees coverage for:

29 (i) Mental health services. The copayment or coinsurance for these  
30 services may be no more than the copayment or coinsurance for medical  
31 and surgical services otherwise provided under the health benefit plan.  
32 Wellness and preventive services that are provided or reimbursed at a  
33 lesser copayment, coinsurance, or other cost sharing than other medical  
34 and surgical services are excluded from this comparison. If the health  
35 benefit plan imposes a maximum out-of-pocket limit or stop loss, it  
36 shall be a single limit or stop loss for medical, surgical, and mental  
37 health services; and

1 (ii) 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 health benefit plan.

5 (c) For all health benefit plans established or renewed on or after  
6 July 1, 2008, for groups of more than fifty employees coverage for:

7 (i) Mental health services. The copayment or coinsurance for these  
8 services may be no more than the copayment or coinsurance for medical  
9 and surgical services otherwise provided under the health benefit plan.  
10 Wellness and preventive services that are provided or reimbursed at a  
11 lesser copayment, coinsurance, or other cost sharing than other medical  
12 and surgical services are excluded from this comparison. If the health  
13 benefit plan imposes a maximum out-of-pocket limit or stop loss, it  
14 shall be a single limit or stop loss for medical, surgical, and mental  
15 health services. If the health benefit plan imposes any deductible,  
16 mental health services shall be included with medical and surgical  
17 services for the purpose of meeting the deductible requirement.  
18 Treatment limitations or any other financial requirements on coverage  
19 for mental health services are only allowed if the same limitations or  
20 requirements are imposed on coverage for medical and surgical services;  
21 and

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

26 (3) In meeting the requirements of subsection (2)(a) and (b) of  
27 this section, health benefit plans may not reduce the number of mental  
28 health outpatient visits or mental health inpatient days below the  
29 level in effect on July 1, 2002.

30 (4) This section does not prohibit a requirement that mental health  
31 services be medically necessary as determined by the medical director  
32 or designee, if a comparable requirement is applicable to medical and  
33 surgical services.

34 (5) Nothing in this section shall be construed to prevent the  
35 management of mental health services.

36 NEW SECTION. **Sec. 6.** A new section is added to chapter 70.47 RCW  
37 to read as follows:

1 (1) For the purposes of this section, "mental health services"  
2 means medically necessary outpatient and inpatient services provided to  
3 treat mental disorders covered by the diagnostic categories listed in  
4 the most current version of the diagnostic and statistical manual of  
5 mental disorders, published by the American psychiatric association, on  
6 the effective date of this section, or such subsequent date as may be  
7 determined by the administrator, by rule, consistent with the purposes  
8 of this act, with the exception of the following categories, codes, and  
9 services: (a) Substance related disorders; (b) life transition  
10 problems, currently referred to as "V" codes, and diagnostic codes 302  
11 through 302.9 as found in the diagnostic and statistical manual of  
12 mental disorders, 4th edition, published by the American psychiatric  
13 association; (c) skilled nursing facility services, home health care,  
14 residential treatment, and custodial care; and (d) court ordered  
15 treatment, unless the Washington basic health plan's or contracted  
16 managed health care system's medical director or designee determines  
17 the treatment to be medically necessary.

18 (2)(a) Any schedule of benefits established or renewed by the  
19 Washington basic health plan on or after July 1, 2003, shall provide  
20 coverage for:

21 (i) Mental health services. The copayment or coinsurance for these  
22 services may be no more than the copayment or coinsurance for medical  
23 and surgical services otherwise provided under the schedule of  
24 benefits. Wellness and preventive services that are provided or  
25 reimbursed at a lesser copayment, coinsurance, or other cost sharing  
26 than other medical and surgical services are excluded from this  
27 comparison; and

28 (ii) Prescription drugs intended to treat any of the disorders  
29 covered in subsection (1) of this section to the same extent, and under  
30 the same terms and conditions, as other prescription drugs covered  
31 under the schedule of benefits.

32 (b) Any schedule of benefits established or renewed by the  
33 Washington basic health plan on or after January 1, 2006, shall provide  
34 coverage for:

35 (i) Mental health services. The copayment or coinsurance for these  
36 services may be no more than the copayment or coinsurance for medical  
37 and surgical services otherwise provided under the schedule of  
38 benefits. Wellness and preventive services that are provided or

1 reimbursed at a lesser copayment, coinsurance, or other cost sharing  
2 than other medical and surgical services are excluded from this  
3 comparison. If the schedule of benefits imposes a maximum out-of-  
4 pocket limit or stop loss, it shall be a single limit or stop loss for  
5 medical, surgical, and mental health services; and

6 (ii) Prescription drugs intended to treat any of the disorders  
7 covered in subsection (1) of this section to the same extent, and under  
8 the same terms and conditions, as other prescription drugs covered  
9 under the schedule of benefits.

10 (c) Any schedule of benefits established or renewed by the  
11 Washington basic health plan on or after July 1, 2008, shall include  
12 coverage for:

13 (i) Mental health services. The copayment or coinsurance for these  
14 services may be no more than the copayment or coinsurance for medical  
15 and surgical services otherwise provided under the schedule of  
16 benefits. Wellness and preventive services that are provided or  
17 reimbursed at a lesser copayment, coinsurance, or other cost sharing  
18 than other medical and surgical services are excluded from this  
19 comparison. If the schedule of benefits imposes a maximum out-of-  
20 pocket limit or stop loss, it shall be a single limit or stop loss for  
21 medical, surgical, and mental health services. If the schedule of  
22 benefits imposes any deductible, mental health services shall be  
23 included with medical and surgical services for the purpose of meeting  
24 the deductible requirement. Treatment limitations or any other  
25 financial requirements on coverage for mental health services are only  
26 allowed if the same limitations or requirements are imposed on coverage  
27 for medical and surgical services; and

28 (ii) Prescription drugs intended to treat any of the disorders  
29 covered in subsection (1) of this section to the same extent, and under  
30 the same terms and conditions, as other prescription drugs covered  
31 under the schedule of benefits.

32 (3) In meeting the requirements of subsection (2)(a) and (b) of  
33 this section, the Washington basic health plan may not reduce the  
34 number of mental health outpatient visits or mental health inpatient  
35 days below the level in effect on July 1, 2002.

36 (4) This section does not prohibit a requirement that mental health  
37 services be medically necessary as determined by the medical director

1 or designee, if a comparable requirement is applicable to medical and  
2 surgical services.

3 (5) Nothing in this section shall be construed to prevent the  
4 management of mental health services.

5 **Sec. 7.** RCW 48.21.240 and 1987 c 283 s 3 are each amended to read  
6 as follows:

7 (1) For groups not covered by section 3 of this act, each group  
8 insurer providing disability insurance coverage in this state for  
9 hospital or medical care under contracts which are issued, delivered,  
10 or renewed in this state (~~on or after July 1, 1986,~~) shall offer  
11 optional supplemental coverage for mental health treatment for the  
12 insured and the insured's covered dependents.

13 (2) Benefits shall be provided under the optional supplemental  
14 coverage for mental health treatment whether treatment is rendered by:  
15 (a) A (~~physician licensed under chapter 18.71 or 18.57 RCW; (b) a~~  
16 ~~psychologist licensed under chapter 18.83~~) licensed mental health  
17 provider regulated under chapter 18.57, 18.71, 18.79, 18.83, or 18.225  
18 RCW; (~~(c)~~) (b) a community mental health agency licensed by the  
19 department of social and health services pursuant to chapter 71.24 RCW;  
20 or (~~(d)~~) (c) a state hospital as defined in RCW 72.23.010. The  
21 treatment shall be covered at the usual and customary rates for such  
22 treatment. The insurer, health care service contractor, or health  
23 maintenance organization providing optional coverage under the  
24 provisions of this section for mental health services may establish  
25 separate usual and customary rates for services rendered by  
26 (~~physicians licensed under chapter 18.71 or 18.57 RCW, psychologists~~  
27 ~~licensed under chapter 18.83 RCW, and community mental health centers~~  
28 ~~licensed under chapter 71.24 RCW and state hospitals as defined in RCW~~  
29 ~~72.23.010~~) the different categories of providers listed in (a) through  
30 (c) of this subsection. However, the treatment may be subject to  
31 contract provisions with respect to reasonable deductible amounts or  
32 copayments. In order to qualify for coverage under this section, a  
33 licensed community mental health agency shall have in effect a plan for  
34 quality assurance and peer review, and the treatment shall be  
35 supervised by (~~a physician licensed under chapter 18.71 or 18.57 RCW~~  
36 ~~or by a psychologist licensed under chapter 18.83 RCW~~) one of the  
37 categories of providers listed in (a) of this subsection.

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

5 (4) This section shall not apply to a group disability insurance  
6 contract 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 **Sec. 8.** RCW 48.44.340 and 1987 c 283 s 4 are each amended to read  
10 as follows:

11 (1) For groups not covered by section 4 of this act, each health  
12 care service contractor providing hospital or medical services or  
13 benefits in this state under group contracts for health care services  
14 under this chapter which are issued, delivered, or renewed in this  
15 state (~~on or after July 1, 1986,~~) shall offer optional supplemental  
16 coverage for mental health treatment for the insured and the insured's  
17 covered dependents.

18 (2) Benefits shall be provided under the optional supplemental  
19 coverage for mental health treatment whether treatment is rendered by:

20 (a) A (~~physician licensed under chapter 18.71 or 18.57 RCW; (b) a~~  
21 ~~psychologist licensed under chapter 18.83~~) licensed mental health  
22 provider regulated under chapter 18.57, 18.71, 18.79, 18.83, or 18.225  
23 RCW; (~~(c)~~) (b) a community mental health agency licensed by the  
24 department of social and health services pursuant to chapter 71.24 RCW;  
25 or (~~(d)~~) (c) a state hospital as defined in RCW 72.23.010. The  
26 treatment shall be covered at the usual and customary rates for such  
27 treatment. The insurer, health care service contractor, or health  
28 maintenance organization providing optional coverage under the  
29 provisions of this section for mental health services may establish  
30 separate usual and customary rates for services rendered by  
31 (~~physicians licensed under chapter 18.71 or 18.57 RCW, psychologists~~  
32 ~~licensed under chapter 18.83 RCW, and community mental health centers~~  
33 ~~licensed under chapter 71.24 RCW and state hospitals as defined in RCW~~  
34 ~~72.23.010~~) the different categories of providers listed in (a) through  
35 (c) of this subsection. However, the treatment may be subject to  
36 contract provisions with respect to reasonable deductible amounts or  
37 copayments. In order to qualify for coverage under this section, a

1 licensed community mental health agency shall have in effect a plan for  
2 quality assurance and peer review, and the treatment shall be  
3 supervised by (~~(a physician licensed under chapter 18.71 or 18.57 RCW~~  
4 ~~or by a psychologist licensed under chapter 18.83 RCW)) one of the  
5 categories of providers listed in (a) of this subsection.~~

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

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

14 **Sec. 9.** RCW 48.46.290 and 1987 c 283 s 5 are each amended to read  
15 as follows:

16 (1) For groups not covered by section 5 of this act, each health  
17 maintenance organization providing services or benefits for hospital or  
18 medical care coverage in this state under group health maintenance  
19 agreements which are issued, delivered, or renewed in this state (~~on~~  
20 ~~or after July 1, 1986,)) shall offer optional supplemental coverage for~~  
21 mental health treatment to the enrolled participant and the enrolled  
22 participant's covered dependents.

23 (2) Benefits shall be provided under the optional supplemental  
24 coverage for mental health treatment whether treatment is rendered by  
25 the health maintenance organization or the health maintenance  
26 organization refers the enrolled participant or the enrolled  
27 participant's covered dependents for treatment (~~(to))~~ by: (a) A  
28 (~~(physician licensed under chapter 18.71 or 18.57 RCW; (b) a~~  
29 ~~psychologist licensed under chapter 18.83)) licensed mental health  
30 provider regulated under chapter 18.57, 18.71, 18.79, 18.83, or 18.225  
31 RCW; (~~(e))~~ (b) a community mental health agency licensed by the  
32 department of social and health services pursuant to chapter 71.24 RCW;  
33 or (~~(d))~~ (c) a state hospital as defined in RCW 72.23.010. The  
34 treatment shall be covered at the usual and customary rates for such  
35 treatment. The insurer, health care service contractor, or health  
36 maintenance organization providing optional coverage under the  
37 provisions of this section for mental health services may establish~~

1 separate usual and customary rates for services rendered by  
2 (~~physicians licensed under chapter 18.71 or 18.57 RCW, psychologists~~  
3 ~~licensed under chapter 18.83 RCW, and community mental health centers~~  
4 ~~licensed under chapter 71.24 RCW and state hospitals as defined in RCW~~  
5 ~~72.23.010~~) the different categories of providers listed in (a) through  
6 (c) of this subsection. However, the treatment may be subject to  
7 contract provisions with respect to reasonable deductible amounts or  
8 copayments. In order to qualify for coverage under this section, a  
9 licensed community mental health agency shall have in effect a plan for  
10 quality assurance and peer review, and the treatment shall be  
11 supervised by (~~a physician licensed under chapter 18.71 or 18.57 RCW~~  
12 ~~or by a psychologist licensed under chapter 18.83 RCW~~) one of the  
13 categories of providers listed in (a) of this subsection.

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

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

22 NEW SECTION. Sec. 10. A new section is added to chapter 48.02 RCW  
23 to read as follows:

24 The insurance commissioner may adopt rules to implement sections 3  
25 through 5 of this act, except that the rules do not apply to health  
26 benefit plans administered or operated under chapter 41.05 or 70.47  
27 RCW.

28 NEW SECTION. Sec. 11. A new section is added to chapter 70.47 RCW  
29 to read as follows:

30 The administrator may adopt rules to implement section 6 of this  
31 act.

32 NEW SECTION. Sec. 12. A new section is added to chapter 41.05 RCW  
33 to read as follows:

34 The administrator may adopt rules to implement section 2 of this  
35 act.



1        NEW SECTION.   **Sec. 13.**  If any provision of this act or its  
2 application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

5        NEW SECTION.   **Sec. 14.**  This act is necessary for the immediate  
6 preservation of the public peace, health, or safety, or support of the  
7 state government and its existing public institutions, and takes effect  
8 immediately.

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