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HOUSE BILL 1828

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State of Washington

58th Legislature

2004 Regular Session

By Representatives Schual-Berke, Pflug, Cody, Hankins, Linville, Skinner, Cooper, Alexander, Ruderman, Delvin, McDermott, Ericksen, Campbell, Santos, Haigh, Quall, Upthegrove, G. Simpson, Hatfield, Kessler, Conway and Kenney

Read first time 02/11/2003. Referred to Committee on Financial Institutions & Insurance.

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 in the diagnostic and  
20 statistical manual of mental disorders, 4th edition, published by the  
21 American psychiatric association; (c) residential treatment and  
22 custodial care; and (d) court ordered treatment, unless considered  
23 medically necessary.

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

27 (a) For all health benefit plans established or renewed on or after  
28 July 1, 2003, 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; and

35 (ii) Prescription drugs intended to treat any of the disorders  
36 covered in subsection (1) of this section to the same extent, and under

1 the same terms and conditions, as other prescription drugs covered by  
2 the health benefit plan.

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

5 (i) Mental health services. The copayment or coinsurance for these  
6 services may be no more than the copayment or coinsurance for medical  
7 and surgical services otherwise provided under the health benefit plan.  
8 Wellness and preventive services that are provided or reimbursed at a  
9 lesser copayment, coinsurance, or other cost sharing than other medical  
10 and surgical services are excluded from this comparison. If the health  
11 benefit plan imposes a maximum out-of-pocket limit or stop loss, it  
12 shall be a single limit or stop loss for medical, surgical, and mental  
13 health services; 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 (c) For all health benefit plans established or renewed on or after  
19 July 1, 2008, 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. If the health benefit plan imposes a deductible, it  
29 shall be a single deductible for medical, surgical, and mental health  
30 services. Treatment limitations or any other financial requirements on  
31 coverage for mental health services are only allowed if the same  
32 limitations or requirements are imposed on coverage for medical and  
33 surgical services; and

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

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

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

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

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

25 (2) All group disability insurance contracts and blanket disability  
26 insurance contracts providing health benefit plans that provide  
27 coverage for medical and surgical services shall provide:

28 (a) For all plans established or renewed on or after July 1, 2003,  
29 for groups of fifty or more employees coverage for:

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

36 (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 plan.

4 (b) For all plans established or renewed on or after January 1,  
5 2006, for groups of fifty or more employees coverage for:

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

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

19 (c) For all plans established or renewed on or after July 1, 2008,  
20 for groups of twenty-five or more employees 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 plan. Wellness and  
24 preventive services that are provided or reimbursed at a lesser  
25 copayment, coinsurance, or other cost sharing than other medical and  
26 surgical services are excluded from this comparison. If the plan  
27 imposes a maximum out-of-pocket limit or stop loss, it shall be a  
28 single limit or stop loss for medical, surgical, and mental health  
29 services. If the plan imposes a deductible, it shall be a single  
30 deductible for medical, surgical, and mental health services.  
31 Treatment limitations or any other financial requirements on coverage  
32 for mental health services are only allowed if the same limitations or  
33 requirements are imposed on coverage for medical and surgical services;  
34 and

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

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

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

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

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

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

27 (a) For all plans established or renewed on or after July 1, 2003,  
28 for groups of fifty or more 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 plan. Wellness and  
32 preventive services that are provided or reimbursed at a lesser  
33 copayment, coinsurance, or other cost sharing than other medical and  
34 surgical services are excluded from this comparison; and

35 (ii) Prescription drugs intended to treat any of the disorders  
36 covered in subsection (1) of this section to the same extent, and under

1 the same terms and conditions, as other prescription drugs covered by  
2 the plan.

3 (b) For all plans established or renewed on or after January 1,  
4 2006, for groups of fifty or more employees coverage for:

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

18 (c) For all plans established or renewed on or after July 1, 2008,  
19 for groups of twenty-five or more 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 plan. Wellness and  
23 preventive services that are provided or reimbursed at a lesser  
24 copayment, coinsurance, or other cost sharing than other medical and  
25 surgical services are excluded from this comparison. If the plan  
26 imposes a maximum out-of-pocket limit or stop loss, it shall be a  
27 single limit or stop loss for medical, surgical, and mental health  
28 services. If the plan imposes a deductible, it shall be a single  
29 deductible for medical, surgical, and mental health services.  
30 Treatment limitations or any other financial requirements on coverage  
31 for mental health services are only allowed if the same limitations or  
32 requirements are imposed on coverage for medical and surgical services;  
33 and

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

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

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

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

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

25 (2) All health benefit plans offered by health maintenance  
26 organizations that provide coverage for medical and surgical services  
27 shall provide:

28 (a) For all plans established or renewed on or after July 1, 2003,  
29 for groups of fifty or more employees coverage for:

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

36 (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 plan.

4 (b) For all plans established or renewed on or after January 1,  
5 2006, for groups of fifty or more employees coverage for:

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

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

19 (c) For all plans established or renewed on or after July 1, 2008,  
20 for groups of twenty-five or more employees 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 plan. Wellness and  
24 preventive services that are provided or reimbursed at a lesser  
25 copayment, coinsurance, or other cost sharing than other medical and  
26 surgical services are excluded from this comparison. If the plan  
27 imposes a maximum out-of-pocket limit or stop loss, it shall be a  
28 single limit or stop loss for medical, surgical, and mental health  
29 services. If the plan imposes a deductible, it shall be a single  
30 deductible for medical, surgical, and mental health services.  
31 Treatment limitations or any other financial requirements on coverage  
32 for mental health services are only allowed if the same limitations or  
33 requirements are imposed on coverage for medical and surgical services;  
34 and

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

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

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

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

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

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

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

35 (ii) Prescription drugs intended to treat any of the disorders  
36 covered in subsection (1) of this section to the same extent, and under

1 the same terms and conditions, as other prescription drugs covered  
2 under the schedule of benefits.

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

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

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

19 (c) Any schedule of benefits established or renewed by the  
20 Washington basic health plan on or after July 1, 2008, shall include  
21 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 schedule of  
25 benefits. Wellness and preventive services that are provided or  
26 reimbursed at a lesser copayment, coinsurance, or other cost sharing  
27 than other medical and surgical services are excluded from this  
28 comparison. If the schedule of benefits imposes a maximum out-of-  
29 pocket limit or stop loss, it shall be a single limit or stop loss for  
30 medical, surgical, and mental health services. If the schedule of  
31 benefits imposes a deductible, it shall be a single deductible for  
32 medical, surgical, and mental health services. Treatment limitations  
33 or any other financial requirements on coverage for mental health  
34 services are only allowed if the same limitations or requirements are  
35 imposed on coverage for medical and surgical services; and

36 (ii) Prescription drugs intended to treat any of the disorders  
37 covered in subsection (1) of this section to the same extent, and under

1 the same terms and conditions, as other prescription drugs covered  
2 under the schedule of benefits.

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

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

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

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

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

1 quality assurance and peer review, and the treatment shall be  
2 supervised by a physician licensed under chapter 18.71 or 18.57 RCW or  
3 by a psychologist licensed under chapter 18.83 RCW.

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

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

12 **Sec. 8.** RCW 48.44.340 and 1987 c 283 s 4 are each amended to read  
13 as follows:

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

21 (2) Benefits shall be provided under the optional supplemental  
22 coverage for mental health treatment whether treatment is rendered by:  
23 (a) A physician licensed under chapter 18.71 or 18.57 RCW; (b) a  
24 psychologist licensed under chapter 18.83 RCW; (c) a community mental  
25 health agency licensed by the department of social and health services  
26 pursuant to chapter 71.24 RCW; or (d) a state hospital as defined in  
27 RCW 72.23.010. The treatment shall be covered at the usual and  
28 customary rates for such treatment. The insurer, health care service  
29 contractor, or health maintenance organization providing optional  
30 coverage under the provisions of this section for mental health  
31 services may establish separate usual and customary rates for services  
32 rendered by physicians licensed under chapter 18.71 or 18.57 RCW,  
33 psychologists licensed under chapter 18.83 RCW, and community mental  
34 health centers licensed under chapter 71.24 RCW and state hospitals as  
35 defined in RCW 72.23.010. 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 or  
4 by a psychologist licensed under chapter 18.83 RCW.

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

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

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

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

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

1 chapter 71.24 RCW and state hospitals as defined in RCW 72.23.010.  
2 However, the treatment may be subject to contract provisions with  
3 respect to reasonable deductible amounts or copayments. In order to  
4 qualify for coverage under this section, a licensed community mental  
5 health agency shall have in effect a plan for quality assurance and  
6 peer review, and the treatment shall be supervised by a physician  
7 licensed under chapter 18.71 or 18.57 RCW or by a psychologist licensed  
8 under chapter 18.83 RCW.

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

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

17 NEW SECTION. **Sec. 10.** A new section is added to chapter 48.02 RCW  
18 to read as follows:

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

23 NEW SECTION. **Sec. 11.** A new section is added to chapter 70.47 RCW  
24 to read as follows:

25 The administrator may adopt rules to implement section 6 of this  
26 act.

27 NEW SECTION. **Sec. 12.** A new section is added to chapter 41.05 RCW  
28 to read as follows:

29 The administrator may adopt rules to implement section 2 of this  
30 act.

31 NEW SECTION. **Sec. 13.** If any provision of this act or its  
32 application to any person or circumstance is held invalid, the  
33 remainder of the act or the application of the provision to other  
34 persons or circumstances is not affected.

1        NEW SECTION.    **Sec. 14.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of the  
3    state government and its existing public institutions, and takes effect  
4    immediately.

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