

# SENATE BILL REPORT

## EHB 1460

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As Reported By Senate Committee On:  
Health & Long-Term Care, March 19, 2007

**Title:** An act relating to extending existing mental health parity requirements to individual and small group plans.

**Brief Description:** Extending existing mental health parity requirements to individual and small group plans.

**Sponsors:** Representatives Schual-Berke, Hankins, Cody, Campbell, Morrell, Green, Dickerson, Darneille, McDermott, Jarrett, Hudgins, Moeller, Kagi, Rodne, Williams, Ormsby, Haigh, Linville, Wood, Conway, O'Brien, Hasegawa, Santos and Lantz.

**Brief History:** Passed House: 2/28/07, 75-22.

**Committee Activity:** Health & Long-Term Care: 3/19/07 [DP, DNP].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** Do pass.

Signed by Senators Keiser, Chair; Franklin, Vice Chair; Pflug, Ranking Minority Member; Fairley, Kastama, Kohl-Welles, Marr and Parlette.

**Minority Report:** Do not pass.

Signed by Senator Carrell.

**Staff:** Mich'l Needham (786-7442)

**Background:** The 2005 Legislature passed a mental health parity bill requiring that coverage of mental health services be equal to coverage for other medical and surgical services, for commercial insurance policies covering more than 50 employees, and for the public employees and Basic Health programs offered by the Health Care Authority. Requirements first became effective January 1, 2006, with additional phased-in requirements for maximum out-of-pocket limits, and a single deductible, in 2008 and 2010, respectively.

Currently 48 states require some form of mental health parity for insurance coverage of mental health services, or have mental health mandates of some sort. Twenty states, including Washington, provide exemptions for some small groups, variably defined as under 50, 25, 20 or 15.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

In Washington small group policies are exempt from the required coverage; however, insurance carriers are required to offer each small group optional supplemental coverage for mental health treatment.

**Summary of Bill:** Effective January 1, 2008, insurance policies issued for all groups and individuals are required to include coverage for mental health services equal to coverage for other medical and surgical services. Policies offered by the Washington State Health Insurance Pool (WSHIP) are modified to include mental health services as any other covered service, and specific inpatient and outpatient day limits are removed. The requirement for insurance carriers to offer supplemental coverage to small groups is repealed.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: It is time to cover mental health illness like we cover all other illnesses. The individual market has no mental health coverage at all, and this is unacceptable. Mental health coverage needs to be made available and this can only be accomplished through legislation.

CON: Mental health parity is a mandated benefit increase and it will impose an additional cost burden on small employers who struggle with the costs of health care.

**Persons Testifying:** PRO: Representative Shual-Berke, prime sponsor.

CON: Mellani McAleenan, Association of Washington Business.

Signed In, Unable To Testify & Submitted Written Testimony: Pam MacEwan, Group Health.