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**Health Care & Wellness Committee**

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**HB 2339**

**Brief Description:** Addressing health coverage for residential treatment.

**Sponsors:** Representative Moeller.

**Brief Summary of Bill**

- Removes the exemption for residential treatment from mental health parity requirements that apply to state-regulated health plans, Public Employees Benefits Board plans, Washington State Health Insurance Pool plans, and the Basic Health Plan.

**Hearing Date:** 1/12/16

**Staff:** Chris Blake (786-7392).

**Background:**

Federal Mental Health Parity Laws.

The federal Patient Protection and Affordable Care Act requires all health plans to cover mental health and substance use disorder treatment. Federal law also requires that health plans meet certain parity requirements that mental health and substance use disorder services be comparable with medical and surgical benefits. In general, health plans may not establish annual or lifetime limits on mental health benefits that are less than the average limit of medical and surgical benefits. In addition, they may not apply financial requirements or treatment limitations to mental health or substance use disorder benefits that are more restrictive than the predominant financial requirements and treatment limitations for medical or surgical benefits in the same classification.

State Mental Health Parity Laws.

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State-regulated private insurance plans, Public Employees Benefit Board health plans, Washington State Health Insurance Pool, and the Basic Health Plan must meet minimum coverage standards for mental health services and prescription drugs related to mental health services. For mental health services, the copayment or coinsurance may not be more than that for medical and surgical services. Any deductible included in the plan must allow mental health services to apply toward meeting the deductible requirement. In addition, treatment limitations and financial requirements for mental health services are only allowed if they are the same as imposed on medical and surgical services coverage. For prescription drugs related to mental health services, health plans must offer coverage to the same extent, and under the same terms and conditions as other prescription drugs.

The term "mental health services" means medically necessary outpatient and inpatient services provided to treat mental disorders covered by the most current version of the Diagnostic and Statistical Manual of Mental Disorders. The term expressly excludes several categories, codes, and services. These exclusions include: substance related disorders; life transition problems; skilled nursing facility services, home health care, residential treatment, and custodial care; and court-ordered treatment, unless it is determined to be medically necessary.

The community mental health system identifies "residential services" as generally referring to residences and supports for persons who have an acute or severe mental illness. The services include evaluation and treatment services, acute crisis respite care, long-term adaptive and rehabilitative care, and supervised and supported living services. The term also includes services for persons with a mental illness that are provided in nursing homes, assisted living facilities, and adult family homes, as well as outpatient services that are a part of a package of services in a supported housing model.

**Summary of Bill:**

The exemption of residential treatment from the mental health parity requirements that apply to state-regulated health insurance plans, Public Employee Benefits Board plans, Washington State Health Insurance Pool plans, and the Basic Health Plan is removed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.