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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO INSURANCE - COVERAGE FOR MENTAL ILLNESS AND SUBSTANCE  
ABUSE

Introduced By: Representatives Ajello, Handy, O`Grady, McNamara, and Keable

Date Introduced: February 27, 2013

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 27-38.2-1, 27-38.2-2 and 27-38.2-3 of the General Laws in  
2 Chapter 27-38.2 entitled "Insurance Coverage for Mental Illness and Substance Abuse" are  
3 hereby amended to read as follows:

4           **27-38.2-1. Mental illness coverage.**—Every health care insurer that delivers or issues for  
5 delivery or renews in this state a contract, plan, or policy except contracts providing supplemental  
6 coverage to Medicare or other governmental programs, shall: (1) Provide ~~provide~~ coverage for  
7 the medical treatment of mental illness and substance abuse under the same terms and conditions  
8 as that coverage is provided for other illnesses and diseases; and (2) Ensure that reimbursement  
9 for professional providers providing treatment of mental illness and substance abuse is  
10 determined using the same methodology as reimbursement for professional providers of medical  
11 services. Insurance coverage offered pursuant to this statute must include the same durational  
12 limits, amount limits, deductibles, and co-insurance factors for mental illness as for other illnesses  
13 and diseases.

14           **27-38.2-2. Definitions.** -- For the purposes of this chapter, the following words and terms  
15 have the following meanings:

16           (1) "Health insurers" means all persons, firms, corporations, or other organizations  
17 offering and assuring health services on a prepaid or primarily expense-incurred basis, including  
18 but not limited to policies of accident or sickness insurance, as defined by chapter 18 of this title,

1 nonprofit hospital and/or medical service plans, whether organized under chapter 19 or 20 of this  
2 title or under any public law, ~~or~~ by special act of the general assembly or by executive order,  
3 health maintenance organizations, or any other entity which insures or reimburses for diagnostic,  
4 therapeutic, or preventive services to a determined population on the basis of a periodic premium.

5 Provided, this chapter does not apply to insurance coverage providing benefits for:

- 6 (i) Hospital confinement indemnity;
- 7 (ii) Disability income;
- 8 (iii) Accident only;
- 9 (iv) Long-term care;
- 10 (v) Medicare supplement;
- 11 (vi) Limited benefit health;
- 12 (vii) Specific disease indemnity;
- 13 (viii) Sickness or bodily injury or death by accident or both; and
- 14 (ix) Other limited benefit policies.

15 (2) "Mental illness" means any mental disorder and substance abuse disorder that is  
16 listed in the most recent revised publication or the most updated volume of either the Diagnostic  
17 and Statistical Manual of Mental Disorders (DSM) published by the American Psychiatric  
18 Association or the International Classification of Disease Manual (ICD) published by the World  
19 Health Organization and that substantially limits the life activities of the person with the illness;  
20 provided, that tobacco and caffeine are excluded from the definition of "substance" for the  
21 purposes of this chapter. "Mental illness" shall not include: (i) mental retardation, (ii) learning  
22 disorders, (iii) motor skills disorders, (iv) communication disorders, and (v) mental disorders  
23 classified as "V" codes. Nothing shall preclude persons with these conditions from receiving  
24 benefits provided under this chapter for any other diagnoses covered by this chapter.

25 (3) "Mental illness coverage" means inpatient hospitalization, partial hospitalization  
26 provided in a hospital or any other licensed facility, intensive out patient services, outpatient  
27 services and community residential care services ~~for substance abuse treatment. It shall not~~  
28 ~~include methadone maintenance services or community residential care services for mental~~  
29 ~~illnesses other than substance abuse disorders.~~

30 (4) "Outpatient services" means office visits that provide for the treatment of mental  
31 illness and substance abuse.

32 (5) "Community residential care services" ~~mean~~ means those facilities as defined and  
33 licensed in accordance with chapter 24 of title 40.1 or as similarly licensed outside the state of  
34 Rhode Island.

1 [\(6\) "Commissioner" means the commissioner of the office of the health insurance](#)  
2 [commissioner.](#)

3 **27-38.2-3. Medical necessity and appropriateness of treatment.** -- (a) Upon request of  
4 the reimbursing health insurers, all providers of treatment of mental illness shall furnish medical  
5 records or other necessary data which substantiates that initial or continued treatment is at all  
6 times medically necessary and appropriate. When the provider cannot establish the medical  
7 necessity and/or appropriateness of the treatment modality being provided, neither the health  
8 insurer nor the patient shall be obligated to reimburse for that period or type of care that was not  
9 established. The exception to the preceding can only be made if the patient has been informed of  
10 the provisions of this subsection and has agreed in writing to continue to receive treatment at his  
11 or her own expense.

12 (b) The health insurers, when making the determination of medically necessary and  
13 appropriate treatment, must do so in a manner consistent with that used to make the determination  
14 for the treatment of other diseases or injuries covered under the health insurance policy or  
15 agreement.

16 (c) Any subscriber who is aggrieved by a denial of benefits provided under this chapter  
17 may appeal a denial in accordance with the rules and regulations promulgated by the department  
18 of health pursuant to chapter 17.12 of title 23. [Any aggrieved subscriber is entitled to receive the](#)  
19 [medical criteria used to make the denial determination as well as the reason\(s\) for denial of](#)  
20 [payment of benefits in writing.](#)

21 SECTION 2. Section 27-38.2-4 of the General Laws in Chapter 27-38.2 entitled  
22 "Insurance Coverage for Mental Illness and Substance Abuse" is hereby repealed.

23 ~~**27-38.2-4. Limitations of coverage.** -- (a) The health care benefits outlined in this~~  
24 ~~chapter apply only to services delivered within the state of Rhode Island; provided, that all health~~  
25 ~~insurers shall be required to provide coverage for those benefits mandated by this chapter outside~~  
26 ~~of the state of Rhode Island where it can be established through a pre authorization process that~~  
27 ~~the required services are not available in the state of Rhode Island from a provider in the health~~  
28 ~~insurer's network.~~

29 ~~(b) For the purposes of this chapter, outpatient services, with the exception of outpatient~~  
30 ~~medication visits, shall be provided for up to thirty (30) visits in any calendar year; outpatient~~  
31 ~~services for substance abuse treatment shall be provided for up to thirty (30) hours in any~~  
32 ~~calendar year; community residential care services for substance abuse treatment shall be~~  
33 ~~provided for up to thirty (30) days in any calendar year; and detoxification benefits shall be~~  
34 ~~provided for up to five (5) detoxification occurrences or thirty (30) days in any calendar year;~~

1 ~~whichever comes first.~~

2 SECTION 3. Chapter 27-38.2 of the General Laws entitled "Insurance Coverage for  
3 Mental Illness and Substance Abuse" is hereby amended by adding thereto the following section:

4 **27-38.2-6. Regulations.** – (a) The commissioner is hereby authorized to promulgate rules  
5 and regulations to implement the provisions of this chapter.

6 (b) Upon issuance of final federal rules implementing the Paul Wellstone and Pete  
7 Domenici Mental Health Parity and Addiction Equity Act of 2008, the commissioner shall  
8 ensure that state rules and regulations are in compliance with federal rules.

9 SECTION 4. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO INSURANCE - COVERAGE FOR MENTAL ILLNESS AND SUBSTANCE  
ABUSE

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1           This act would ensure that reimbursement for professional providers providing treatment  
2 of mental illness and substance abuse is determined using the same methodology as  
3 reimbursement for professional providers of medical services.

4           This act would take effect upon passage.

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