

2021 -- H 5546

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO INSURANCE - INSURANCE COVERAGE FOR MENTAL ILLNESS AND
SUBSTANCE ABUSE

Introduced By: Representative Robert E. Craven

Date Introduced: February 12, 2021

Referred To: House Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. The general assembly finds and declares that:

2 (1) Mental Health America's 2021 report, the state of mental health in America, finds that
3 the ratio of mental health providers to patients in Rhode Island is 240:1 and the ratio in
4 Massachusetts is 160:1.

5 (2) According to Mental Health America's 2021 report, fifty thousand (50,000) Rhode
6 Islanders, or twenty-seven and nine-tenths percent (27.9%) of adults experiencing a mental illness,
7 reported that they were not able to receive the treatment they needed. Rhode Island has the highest
8 prevalence of untreated adults with mental illness of any state in New England, and has a higher
9 prevalence than the national average of twenty-three and six-tenths percent (23.6%).

10 (3) The Mental Health Parity and Addiction Equity Act of 2008 ("MHPAEA" or "the Act")
11 and state mental health parity laws require "behavioral healthcare benefits" (benefits for mental
12 health and substance use disorders) that are covered by most health insurance plans to be treated at
13 parity with medical/surgical benefits.

14 (4) The 2010 Affordable Care Act (ACA) requires coverage of mental health and substance
15 use services as an "essential health benefit". The ACA built on the federal Mental Health Parity
16 and Addiction Equity Act of 2008, which requires many group insurance plans that cover mental
17 health and substance use services to do so as generously as medical and surgical services.

18 (5) In the Milliman research group's 2019 report, entitled, "Addiction and mental health vs.

1 physical health: Widening disparities in network use and provider reimbursement", researchers
2 demonstrated that in Rhode Island patients were four and twenty-eight hundredths (4.28) times
3 more likely to have to go out of network for a mental health office visit than for a primary care visit
4 in 2017, which is an increase from two and twenty-eight hundredths (2.28) times in 2013.

5 (6) According to the Milliman report, in Rhode Island, mental health professionals received
6 twenty-three and four-tenths percent (23.4%) less than other specialists for similar billing codes for
7 the evaluation and management of conditions in 2017.

8 (7) The 2015 Truven Health Analytics study, which was done on behalf of the state of
9 Rhode Island, found that "public financing for behavioral health care for adults and adolescents
10 dropped from one hundred ten million dollars (\$110,000,000) in 2007 to ninety-seven million
11 dollars (\$97,000,000) in 2014. State funding for substance abuse services dropped from about
12 fifteen million five hundred thousand dollars (\$15,500,000) to five million dollars (\$5,000,000)."

13 (8) Rhode Island increased its primary care investment by nearly forty percent (40%)
14 between 2008 and 2012, which led to ninety-five percent (95%) of practice sites achieving "medical
15 home" status, a seven and two-tenths percent (7.2%) reduction in hospital admissions, a five percent
16 (5%) reduction in costs, and savings of thirty million dollars (\$30,000,000).

17 (9) Therefore, the state of Rhode Island reaffirms its commitment to achieving parity and
18 hereby requires all commercial and public payers to increase their rates of reimbursement for
19 general outpatient behavioral health services and treatment by twenty three and four-tenths percent
20 (23.4%) over the next five (5) years by July 1, 2027 by a minimum of a four percent (4%) increase
21 per year.

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

24 **27-38.2-6. Reimbursement rate parity for mental health and substance use disorders.**

25 (a) Every individual or group health insurance contract, plan or policy delivered, issued for
26 delivery or renewed in this state on or after January 1, 2022, shall increase rates of reimbursement
27 for outpatient, in-network mental health and substance use disorder services and treatments by
28 twenty-three and four-tenths percent (23.4%) over the following five (5) years with a minimum
29 increase of four percent (4%) per year. The total increase of twenty-three and four-tenths percent
30 (23.4%) must be completed on or before July 1, 2027.

31 (b) Each health insurer shall collect and provide to the office of the health insurance
32 commissioner (OHIC), in a form and frequency acceptable to OHIC, information and data
33 reflecting its increases to outpatient, in-network mental health and substance use disorder
34 reimbursement rates as described in subsection (a) of this section.

1 (c) On or before July 1, 2025, OHIC, in collaboration with the executive office of health
2 and human services (EOHHS), shall issue a report to the general assembly. This report shall include
3 recommendations for an evidence-based rate increase methodology to be applied to outpatient, in-
4 network mental health and substance use disorder services and treatments in the years following
5 2027. These recommendations shall take into consideration reimbursement rates for outpatient, in-
6 network mental health and substance use disorders and treatments in neighboring states, including
7 Connecticut and Massachusetts.

8 (d) On or before July 1, 2027, OHIC shall notify the general assembly in writing when each
9 health insurer has met their rate increase obligation as described in subsection (a) of this section.

10 (e) The health insurance commissioner shall promulgate such rules and regulations as are
11 necessary and proper to effectuate the purpose and for the efficient administration and enforcement
12 of this section.

13 SECTION 3. Chapter 42-7.2 of the General Laws entitled "Office of Health and Human
14 Services" is hereby amended by adding thereto the following section:

15 **42-7.2-21. Reimbursement rate parity for mental health and substance use disorders.**

16 (a) Effective January 1, 2022, Rhode Island Medicaid and its contracted managed care
17 entities shall increase rates of reimbursement for outpatient, in-network mental health and
18 substance use disorder services and treatments by twenty-three and four-tenths percent (23.4%)
19 over the following five (5) years with a minimum increase of four percent (4%) per year. The total
20 increase of twenty-three and four-tenths percent (23.4%) must be completed on or before July 1,
21 2027.

22 (b) Each of Rhode Island Medicaid's contracted managed care entities shall collect and
23 provide the executive office of health and human services (EOHHS), in a form and frequency
24 acceptable to EOHHS, information and data reflecting its increases to outpatient, in-network mental
25 health and substance use disorder reimbursement rates as described in subsection (a) of this section.

26 (c) On or before July 1, 2025, EOHHS, in collaboration with the office of the health
27 insurance commissioner (OHIC), shall issue a report to the general assembly. This report shall
28 include recommendations for an evidence-based rate increase methodology to be applied to
29 outpatient, in-network mental health and substance use disorder services and treatments in the years
30 following 2027. These recommendations shall take into consideration reimbursement rates for
31 outpatient, in-network mental health and substance use disorders and treatments in neighboring
32 states, including Connecticut and Massachusetts.

33 (d) On or before July 1, 2027, EOHHS shall notify the general assembly in writing when
34 each contracted managed care entity has met their rate increase obligation as described in

1 [subsection \(a\) of this section.](#)

2 [\(e\) The secretary of health and human services shall promulgate such rules and regulations](#)
3 [as are necessary and proper to effectuate the purpose and for the efficient administration and](#)
4 [enforcement of this section.](#)

5 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 - INSURANCE COVERAGE FOR MENTAL ILLNESS AND
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1 This act would increase reimbursement rates for behavioral health providers over a five (5)
2 year period. The minimum increase per year would be four percent (4%) for a total increase of
3 twenty-three and four tenths percent (23.4%).

4 This act would take effect upon passage.

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