

AN ACT

RELATING TO INSURANCE; REQUIRING MENTAL HEALTH BENEFITS COVERAGE IN ALL EMPLOYER GROUP HEALTH PLANS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 59A-23E-18 NMSA 1978 (being Laws 1998, Chapter 41, Section 22) is repealed and a new Section 59A-23E-18 NMSA 1978 is enacted to read:

"59A-23E-18. REQUIREMENT FOR MENTAL HEALTH BENEFITS IN A GROUP HEALTH PLAN, OR GROUP HEALTH INSURANCE OFFERED IN CONNECTION WITH THE PLAN, FOR A PLAN YEAR OF AN

EMPLOYER.--

A. A group health plan for a plan year of an employer beginning or renewed on or after October 1, 2000, or group health insurance offered in connection with that plan, shall provide both medical and surgical benefits and mental health benefits. The plan shall not impose treatment limitations or financial requirements on the provision of mental health benefits if identical limitations or requirements are not imposed on coverage of benefits for other conditions.

B. A group health plan for a plan year of an employer beginning on or after October 1, 2000, or group health insurance offered in connection with that plan, may:

(1) require pre-admission screening prior to the authorization of mental health benefits whether inpatient or outpatient; or

(2) apply limitations that restrict mental health benefits provided under the plan to those that are medically necessary.

C. A group health plan for a plan year of an employer beginning or renewed on or after January 1, 2000, or group health insurance offered in connection with that plan, may not be changed through amendment or on renewal to exclude or decrease the mental health benefits existing as of that date.

D. An employer, having at least two but not more than forty-nine employees, that is required by the provisions of Subsection A of this section to provide mental health benefits coverage in a group health plan, or group health insurance offered in connection with that plan on renewal of an existing plan, may, if a premium increase of more than one and one-half percent in the plan year results from the change in coverage:

(1) pay the premium increase;

(2) reach agreement with the employees to cost-share that amount of the premium above one and one-half percent;

(3) negotiate a reduction in coverage, but not below the coverage existing before the renewal, to reduce the premium increase to no more than one and one-half percent; or

(4) after demonstrating to the satisfaction of the insurance division that the amount of the premium increase above one and one-half percent is due exclusively to the additional coverage required by the provisions of Subsection A of this section, receive written permission from the division to not increase coverage.

E. An employer, having at least fifty employees, that is required by the provisions of Subsection A of this section to provide mental health benefits coverage in a group health plan, or group health insurance offered in connection with that plan on renewal of an existing plan, may, if a premium increase of more than two and one-half percent in the plan year results from the change in coverage:

(1) pay the premium increase;

(2) reach agreement with the employees to cost-share that amount of the premium above two and one-half percent;

(3) negotiate a reduction in coverage, but not below the coverage existing before applying parity requirements, to reduce the premium increase to no more than two and one-half percent; or

(4) after demonstrating to the satisfaction of the insurance division that the amount of the premium increase above two and one-half percent is due exclusively to the additional coverage provided because of the provisions of Subsection A of this section, receive written permission from the division to not increase coverage.

F. As used in this section, "mental health benefits" means mental health benefits as described in the group health plan, or group health insurance offered in connection with the plan; but does not include benefits with respect to treatment of substance abuse, chemical dependency or gambling addiction."

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