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HOUSE BILL 452

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,  
2000**

INTRODUCED BY  
Edward Sandoval

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1998, Chapter 41, Section 22) is repealed and a new Section  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. [NEW MATERIAL] 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 July 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

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1 limitations or financial requirements on the provision of  
2 mental health benefits if identical limitations or  
3 requirements are not imposed on coverage of benefits for  
4 other conditions.

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

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

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

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

20 D. An employer, having at least two but not more  
21 than forty-nine employees, that is required by the provisions  
22 of Subsection A of this section to provide mental health  
23 benefits coverage in a group health plan, or group health  
24 insurance offered in connection with that plan on renewal of  
25 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:

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- (1) pay the premium increase;
- (2) reach agreement with the employees to cost-share that amount of the premium above two 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 two percent; or
- (4) after demonstrating to the satisfaction of the insurance division that the amount of the premium increase above two 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

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(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."