



Senate

General Assembly

File No. 146

January Session, 2007

Senate Bill No. 238

Senate, March 27, 2007

The Committee on Human Services reported through SEN. HARRIS of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING COVERAGE FOR COMMUNITY-BASED MENTAL HEALTH PROGRAMS FOR CHILDREN.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-488a of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2007*):

3 (a) Each individual health insurance policy providing coverage of
4 the type specified in subdivisions (1), (2), (4), (11) and (12) of section
5 38a-469 delivered, issued for delivery, renewed, amended or continued
6 in this state on or after January 1, 2000, shall provide benefits for the
7 diagnosis and treatment of mental or nervous conditions. For the
8 purposes of this section, "mental or nervous conditions" means mental
9 disorders, as defined in the most recent edition of the American
10 Psychiatric Association's "Diagnostic and Statistical Manual of Mental
11 Disorders". "Mental or nervous conditions" does not include (1) mental
12 retardation, (2) learning disorders, (3) motor skills disorders, (4)
13 communication disorders, (5) caffeine-related disorders, (6) relational
14 problems, and (7) additional conditions that may be a focus of clinical

15 attention, that are not otherwise defined as mental disorders in the
16 most recent edition of the American Psychiatric Association's
17 "Diagnostic and Statistical Manual of Mental Disorders".

18 (b) No such policy shall establish any terms, conditions or benefits
19 that place a greater financial burden on an insured for access to
20 diagnosis or treatment of mental or nervous conditions than for
21 diagnosis or treatment of medical, surgical or other physical health
22 conditions.

23 (c) In the case of benefits payable for the services of a licensed
24 physician, such benefits shall be payable for the same services when
25 such services are lawfully rendered by a psychologist licensed under
26 the provisions of chapter 383 or by such a licensed psychologist in a
27 licensed hospital or clinic.

28 (d) In the case of benefits payable for the services of a licensed
29 physician or psychologist, such benefits shall be payable for the same
30 services when such services are rendered by:

31 (1) A clinical social worker who is licensed under the provisions of
32 chapter 383b and who has passed the clinical examination of the
33 American Association of State Social Work Boards and has completed
34 at least two thousand hours of post-master's social work experience in
35 a nonprofit agency qualifying as a tax-exempt organization under
36 Section 501(c) of the Internal Revenue Code of 1986 or any subsequent
37 corresponding internal revenue code of the United States, as from time
38 to time amended, in a municipal, state or federal agency or in an
39 institution licensed by the Department of Public Health under section
40 19a-490;

41 (2) A social worker who was certified as an independent social
42 worker under the provisions of chapter 383b prior to October 1, 1990;

43 (3) A licensed marital and family therapist who has completed at
44 least two thousand hours of post-master's marriage and family therapy
45 work experience in a nonprofit agency qualifying as a tax-exempt

46 organization under Section 501(c) of the Internal Revenue Code of 1986
47 or any subsequent corresponding internal revenue code of the United
48 States, as from time to time amended, in a municipal, state or federal
49 agency or in an institution licensed by the Department of Public Health
50 under section 19a-490;

51 (4) A marital and family therapist who was certified under the
52 provisions of chapter 383a prior to October 1, 1992;

53 (5) A licensed alcohol and drug counselor, as defined in section 20-
54 74s, or a certified alcohol and drug counselor, as defined in section 20-
55 74s; or

56 (6) A licensed professional counselor.

57 (e) For purposes of this section, the term "covered expenses" means
58 the usual, customary and reasonable charges for treatment deemed
59 necessary under generally accepted medical standards, except that in
60 the case of a managed care plan, as defined in section 38a-478,
61 "covered expenses" means the payments agreed upon in the contract
62 between a managed care organization, as defined in section 38a-478,
63 and a provider, as defined in section 38a-478.

64 (f) (1) In the case of benefits payable for the services of a licensed
65 physician, such benefits shall be payable for (A) services rendered in a
66 child guidance clinic or residential treatment facility by a person with a
67 master's degree in social work or by a person with a master's degree in
68 marriage and family therapy under the supervision of a psychiatrist,
69 physician, licensed marital and family therapist, or licensed clinical
70 social worker who is eligible for reimbursement under subdivisions (1)
71 to (4), inclusive, of subsection (d) of this section; (B) services rendered
72 in a residential treatment facility by a licensed or certified alcohol and
73 drug counselor who is eligible for reimbursement under subdivision
74 (5) of subsection (d) of this section; or (C) services rendered in a
75 residential treatment facility by a licensed professional counselor who
76 is eligible for reimbursement under subdivision (6) of subsection (d) of
77 this section.

78 (2) In the case of benefits payable for the services of a licensed
79 psychologist under subsection (d) of this section, such benefits shall be
80 payable for (A) services rendered in a child guidance clinic or
81 residential treatment facility by a person with a master's degree in
82 social work or by a person with a master's degree in marriage and
83 family therapy under the supervision of such licensed psychologist,
84 licensed marital and family therapist, or licensed clinical social worker
85 who is eligible for reimbursement under subdivisions (1) to (4),
86 inclusive, of subsection (d) of this section; (B) services rendered in a
87 residential treatment facility by a licensed or certified alcohol and drug
88 counselor who is eligible for reimbursement under subdivision (5) of
89 subsection (d) of this section; or (C) services rendered in a residential
90 treatment facility by a licensed professional counselor who is eligible
91 for reimbursement under subdivision (6) of subsection (d) of this
92 section.

93 (g) In the case of benefits payable for the service of a licensed
94 physician practicing as a psychiatrist or a licensed psychologist, under
95 subsection (d) of this section, such benefits shall be payable for
96 outpatient services rendered (1) in a nonprofit community mental
97 health center, as defined by the Department of Mental Health and
98 Addiction Services, in a nonprofit licensed adult psychiatric clinic
99 operated by an accredited hospital or in a residential treatment facility;
100 (2) under the supervision of a licensed physician practicing as a
101 psychiatrist, a licensed psychologist, a licensed marital and family
102 therapist, a licensed clinical social worker, a licensed or certified
103 alcohol and drug counselor or a licensed professional counselor who is
104 eligible for reimbursement under subdivisions (1) to (6), inclusive, of
105 subsection (d) of this section; and (3) within the scope of the license
106 issued to the center or clinic by the Department of Public Health or to
107 the residential treatment facility by the Department of Children and
108 Families.

109 (h) In the case of benefits payable for the services of a licensed
110 physician practicing as a psychiatrist or a licensed psychologist, under
111 subsection (d) of this section, such benefits shall be payable for

112 outpatient services (1) for children with mental or nervous conditions,
113 including (A) services rendered in a nonprofit community mental
114 health center, as defined by the Department of Mental Health and
115 Addiction Services, (B) services rendered in a psychiatric clinic or child
116 guidance clinic, as defined in section 17a-20, (C) services rendered in a
117 day treatment center, as defined in section 17a-22, or extended day
118 treatment program, as defined in section 17a-147, (D) intensive home-
119 based services for which a child has been referred by a physician, and
120 (E) emergency crisis response services; (2) rendered under the
121 supervision of a licensed physician practicing as a psychiatrist, a
122 licensed psychologist, a licensed marital and family therapist, a
123 licensed clinical social worker, a licensed or certified alcohol and drug
124 counselor or a licensed professional counselor who is eligible for
125 reimbursement under subdivisions (1) to (6), inclusive, of subsection
126 (d) of this section; and (3) within the scope of the license issued to the
127 center by the Department of Public Health or to the clinic or residential
128 treatment facility by the Department of Children and Families. A
129 policy pursuant to this section shall include a provision for the
130 reimbursement of providers of services for children with mental or
131 nervous conditions pursuant to this subsection at a rate equal to the
132 rate paid for the provision of such services under the voluntary
133 services program operated by the Department of Children and
134 Families. As used in this subsection, "child" means a person under the
135 age of eighteen.

136 [(h)] (i) Except in the case of emergency services or in the case of
137 services for which an individual has been referred by a physician
138 affiliated with a health care center, nothing in this section shall be
139 construed to require a health care center to provide benefits under this
140 section through facilities that are not affiliated with the health care
141 center.

142 [(i)] (j) In the case of any person admitted to a state institution or
143 facility administered by the Department of Mental Health and
144 Addiction Services, Department of Public Health, Department of
145 Children and Families or the Department of Mental Retardation, the

146 state shall have a lien upon the proceeds of any coverage available to
147 such person or a legally liable relative of such person under the terms
148 of this section, to the extent of the per capita cost of such person's care.
149 Except in the case of emergency services, the provisions of this
150 subsection shall not apply to coverage provided under a managed care
151 plan, as defined in section 38a-478.

152 Sec. 2. Section 38a-514 of the general statutes is repealed and the
153 following is substituted in lieu thereof (*Effective October 1, 2007*):

154 (a) Except as provided in subsection [(j)] (k) of this section, each
155 group health insurance policy, providing coverage of the type
156 specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469,
157 delivered, issued for delivery, renewed, amended or continued in this
158 state on or after January 1, 2000, shall provide benefits for the
159 diagnosis and treatment of mental or nervous conditions. For the
160 purposes of this section, "mental or nervous conditions" means mental
161 disorders, as defined in the most recent edition of the American
162 Psychiatric Association's "Diagnostic and Statistical Manual of Mental
163 Disorders". "Mental or nervous conditions" does not include (1) mental
164 retardation, (2) learning disorders, (3) motor skills disorders, (4)
165 communication disorders, (5) caffeine-related disorders, (6) relational
166 problems, and (7) additional conditions that may be a focus of clinical
167 attention, that are not otherwise defined as mental disorders in the
168 most recent edition of the American Psychiatric Association's
169 "Diagnostic and Statistical Manual of Mental Disorders".

170 (b) No such group policy shall establish any terms, conditions or
171 benefits that place a greater financial burden on an insured for access
172 to diagnosis or treatment of mental or nervous conditions than for
173 diagnosis or treatment of medical, surgical or other physical health
174 conditions.

175 (c) In the case of benefits payable for the services of a licensed
176 physician, such benefits shall be payable for the same services when
177 such services are lawfully rendered by a psychologist licensed under
178 the provisions of chapter 383 or by such a licensed psychologist in a

179 licensed hospital or clinic.

180 (d) In the case of benefits payable for the services of a licensed
181 physician or psychologist, such benefits shall be payable for the same
182 services when such services are rendered by:

183 (1) A clinical social worker who is licensed under the provisions of
184 chapter 383b and who has passed the clinical examination of the
185 American Association of State Social Work Boards and has completed
186 at least two thousand hours of post-master's social work experience in
187 a nonprofit agency qualifying as a tax-exempt organization under
188 Section 501(c) of the Internal Revenue Code of 1986 or any subsequent
189 corresponding internal revenue code of the United States, as from time
190 to time amended, in a municipal, state or federal agency or in an
191 institution licensed by the Department of Public Health under section
192 19a-490;

193 (2) A social worker who was certified as an independent social
194 worker under the provisions of chapter 383b prior to October 1, 1990;

195 (3) A licensed marital and family therapist who has completed at
196 least two thousand hours of post-master's marriage and family therapy
197 work experience in a nonprofit agency qualifying as a tax-exempt
198 organization under Section 501(c) of the Internal Revenue Code of 1986
199 or any subsequent corresponding internal revenue code of the United
200 States, as from time to time amended, in a municipal, state or federal
201 agency or in an institution licensed by the Department of Public Health
202 under section 19a-490;

203 (4) A marital and family therapist who was certified under the
204 provisions of chapter 383a prior to October 1, 1992;

205 (5) A licensed alcohol and drug counselor, as defined in section 20-
206 74s, or a certified alcohol and drug counselor, as defined in section 20-
207 74s; or

208 (6) A licensed professional counselor.

209 (e) For purposes of this section, the term "covered expenses" means
210 the usual, customary and reasonable charges for treatment deemed
211 necessary under generally accepted medical standards, except that in
212 the case of a managed care plan, as defined in section 38a-478,
213 "covered expenses" means the payments agreed upon in the contract
214 between a managed care organization, as defined in section 38a-478,
215 and a provider, as defined in section 38a-478.

216 (f) (1) In the case of benefits payable for the services of a licensed
217 physician, such benefits shall be payable for (A) services rendered in a
218 child guidance clinic or residential treatment facility by a person with a
219 master's degree in social work or by a person with a master's degree in
220 marriage and family therapy under the supervision of a psychiatrist,
221 physician, licensed marital and family therapist or licensed clinical
222 social worker who is eligible for reimbursement under subdivisions (1)
223 to (4), inclusive, of subsection (d) of this section; (B) services rendered
224 in a residential treatment facility by a licensed or certified alcohol and
225 drug counselor who is eligible for reimbursement under subdivision
226 (5) of subsection (d) of this section; or (C) services rendered in a
227 residential treatment facility by a licensed professional counselor who
228 is eligible for reimbursement under subdivision (6) of subsection (d) of
229 this section.

230 (2) In the case of benefits payable for the services of a licensed
231 psychologist under subsection (d) of this section, such benefits shall be
232 payable for (A) services rendered in a child guidance clinic or
233 residential treatment facility by a person with a master's degree in
234 social work or by a person with a master's degree in marriage and
235 family therapy under the supervision of such licensed psychologist,
236 licensed marital and family therapist or licensed clinical social worker
237 who is eligible for reimbursement under subdivisions (1) to (4),
238 inclusive, of subsection (d) of this section; (B) services rendered in a
239 residential treatment facility by a licensed or certified alcohol and drug
240 counselor who is eligible for reimbursement under subdivision (5) of
241 subsection (d) of this section; or (C) services rendered in a residential
242 treatment facility by a licensed professional counselor who is eligible

243 for reimbursement under subdivision (6) of subsection (d) of this
244 section.

245 (g) In the case of benefits payable for the service of a licensed
246 physician practicing as a psychiatrist or a licensed psychologist, under
247 subsection (d) of this section, such benefits shall be payable for
248 outpatient services rendered (1) in a nonprofit community mental
249 health center, as defined by the Department of Mental Health and
250 Addiction Services, in a nonprofit licensed adult psychiatric clinic
251 operated by an accredited hospital or in a residential treatment facility;
252 (2) under the supervision of a licensed physician practicing as a
253 psychiatrist, a licensed psychologist, a licensed marital and family
254 therapist, a licensed clinical social worker, a licensed or certified
255 alcohol and drug counselor, or a licensed professional counselor who
256 is eligible for reimbursement under subdivisions (1) to (6), inclusive, of
257 subsection (d) of this section; and (3) within the scope of the license
258 issued to the center or clinic by the Department of Public Health or to
259 the residential treatment facility by the Department of Children and
260 Families.

261 (h) In the case of benefits payable for the services of a licensed
262 physician practicing as a psychiatrist or a licensed psychologist, under
263 subsection (d) of this section, such benefits shall be payable for
264 outpatient services (1) for children with mental or nervous conditions,
265 including (A) services rendered in a nonprofit community mental
266 health center, as defined by the Department of Mental Health and
267 Addiction Services, (B) services rendered in a psychiatric clinic or child
268 guidance clinic, as defined in section 17a-20, (C) services rendered in a
269 day treatment center, as defined in section 17a-22, or extended day
270 treatment program, as defined in section 17a-147, (D) intensive home-
271 based services for which a child has been referred by a physician, and
272 (E) emergency crisis response services; (2) rendered under the
273 supervision of a licensed physician practicing as a psychiatrist, a
274 licensed psychologist, a licensed marital and family therapist, a
275 licensed clinical social worker, a licensed or certified alcohol and drug
276 counselor or a licensed professional counselor who is eligible for

277 reimbursement under subdivisions (1) to (6), inclusive, of subsection
278 (d) of this section; and (3) within the scope of the license issued to the
279 center by the Department of Public Health or to the clinic or residential
280 treatment facility by the Department of Children and Families. A
281 policy pursuant to this section shall include a provision for the
282 reimbursement of providers of services for children with mental or
283 nervous conditions pursuant to this subsection at a rate equal to the
284 rate paid for the provision of such services under the voluntary
285 services program operated by the Department of Children and
286 Families. As used in this subsection, "child" means a person under the
287 age of eighteen.

288 [(h)] (i) Except in the case of emergency services or in the case of
289 services for which an individual has been referred by a physician
290 affiliated with a health care center, nothing in this section shall be
291 construed to require a health care center to provide benefits under this
292 section through facilities that are not affiliated with the health care
293 center.

294 [(i)] (j) In the case of any person admitted to a state institution or
295 facility administered by the Department of Mental Health and
296 Addiction Services, Department of Public Health, Department of
297 Children and Families or the Department of Mental Retardation, the
298 state shall have a lien upon the proceeds of any coverage available to
299 such person or a legally liable relative of such person under the terms
300 of this section, to the extent of the per capita cost of such person's care.
301 Except in the case of emergency services the provisions of this
302 subsection shall not apply to coverage provided under a managed care
303 plan, as defined in section 38a-478.

304 [(j)] (k) A group health insurance policy may exclude the benefits
305 required by this section if such benefits are included in a separate
306 policy issued to the same group by an insurance company, health care
307 center, hospital service corporation, medical service corporation or
308 fraternal benefit society. Such separate policy, which shall include the
309 benefits required by this section and the benefits required by section

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 08 \$ | FY 09 \$ |
|--|---------------------|-----------|-----------|
| Children & Families, Dept. | GF - Savings | See Below | See Below |
| Judicial Dept. | GF - Savings | Potential | Potential |
| Comptroller Misc. Accounts (Fringe Benefits) | Various - See Below | See Below | See Below |

Note: GF=General Fund

Municipal Impact:

| Municipalities | Effect | FY 08 \$ | FY 09 \$ |
|------------------------|-----------|-----------|-----------|
| Various Municipalities | See Below | See Below | See Below |

Explanation

This bill requires private health insurance plans issued in Connecticut to cover a variety of mental health services for children under age eighteen, effective October 1, 2007. It further states that payment for these services must be at rates equal to those paid under the Department of Children and Families’ (DCF’s) voluntary services program.¹

Dept. of Children and Families/Court Support Services Division

Enhanced insurance payments would afford the opportunity for state agencies that purchase children’s mental health care to achieve budgetary savings. The Judicial Department’s Court Support Services Division (CSSD) could achieve savings, since it spends over \$5 million annually to provide services identified in the bill. Any potential

¹ It is uncertain how the insurance rates would be determined, since DCF does not reimburse on a fee for service basis, but instead enters into contracts with providers (with the exception of Intensive In-Home Child and Adolescent Program services (IICAPS), which are paid via a Medicaid rate under the Connecticut Behavioral Health Partnership).

savings would depend upon the insurance status of participating children, which cannot be determined at this time.

DCF's voluntary services enrollment is restricted by appropriations (approximately 1,270 children and youth currently benefit). Significant waitlists for services exist. It is anticipated that any resulting savings, which could be significant in magnitude, would be relied upon to expand program enrollment and/or broaden service utilization to meet current unmet needs. Comprehensive data regarding the insurance status of voluntary children is not available. However, preliminary estimates indicate that 10-20% of intensive in-home services and about one-third of mobile crisis contacts are provided to children having private insurance.

State and Municipal Employee Health Plans

Information requested regarding community-based mental health program coverage provided under the state employee health plans was not available from the Office of the State Comptroller. Therefore, the impact of the coverage mandated under the bill on the state health plans cannot be determined at this time.

The bill's impact on municipal employee health cost will vary based on existing plan provisions and cannot be determined.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**SB 238*****AN ACT CONCERNING COVERAGE FOR COMMUNITY-BASED MENTAL HEALTH PROGRAMS FOR CHILDREN.*****SUMMARY:**

This bill requires private health insurers and HMOs to cover outpatient mental health services for insured children under age 18. The insurers must pay the treatment providers at least as much for these services as they pay for equivalent services in the Department of Children and Families' (DCF) Voluntary Service Program. (It is unclear what rates the bill requires, as program rates are set contractually and vary among providers.)

The bill applies to insurance and HMO policies delivered, issued for delivery, renewed, amended, or continued in the state on or after October 1, 2007 that cover (1) basic hospital expenses, (2) basic medical-surgical expenses, (3) major medical expenses, and (4) hospital or medical services.

EFFECTIVE DATE: October 1, 2007

COVERED MENTAL HEALTH SERVICES

The bill requires coverage for services in: (1) nonprofit community mental health centers, (2) psychiatric and child guidance clinics, (3) day treatment centers, and (4) extended day treatment programs.

It also requires coverage for intensive home-based services ordered by a physician orders them and emergency crisis response services.

Providers

The services must be within the scope of the facility's Department of

Public Health license and provided by licensed or certified (1) psychiatrists or psychologists, (2) marital and family therapists, (3) clinical social workers, (4) alcohol and drug counselors, or (5) professional counselors.

BACKGROUND***Voluntary Service Program***

DCF's Voluntary Service Program is for children who need mental or behavioral health services to which they do not otherwise have access. Their parents voluntarily participate in the program and do not have to give DCF custody or guardianship in order to receive services. The department pays treatment providers based on a fee schedule it has developed for the program.

COMMITTEE ACTION

Select Committee on Children

Joint Favorable Change of Reference

Yea 10 Nay 0 (03/06/2007)

Human Services Committee

Joint Favorable

Yea 18 Nay 0 (03/13/2007)