

Senate, April 6, 1998. The Committee on Public Health reported through SEN. HARP, 10th DIST., Chairman of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE DEFINITION OF MEDICAL NECESSITY FOR CHILDREN'S BEHAVIORAL HEALTH IN MANAGED CARE HEALTH PLANS.

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

1 (NEW) (a) For the purpose of managed care  
2 health plans, "medically necessary" means health  
3 care provided to (1) correct or diminish the  
4 adverse effects of a medical condition or mental  
5 condition, (2) assist an individual in attaining  
6 or maintaining an optimal level of health or (3)  
7 prevent a medical condition from occurring.  
8 (b) Each managed care health plan delivered,  
9 issued for delivery or renewed in this state on or  
10 after the effective date of this act shall provide  
11 medically necessary behavioral health services to  
12 an eligible child or youth that shall include (1)  
13 the coordination of and linkage of social and  
14 medical services which ensure the health and  
15 safety of a child or youth, (2) preventive health  
16 care services that are designed to avoid the need  
17 for future medically necessary services, and (3)  
18 services for chronic, long-term disorders which,  
19 if left untreated, will affect the physical or  
20 mental health of the child or youth. The duration  
21 of treatment provided by a managed care health

22 plan for children and youth shall be based on the  
23 individual needs of the child or youth.

24 KID COMMITTEE VOTE: YEA 11 NAY 0 JFS C/R PH  
25 PH COMMITTEE VOTE: YEA 23 NAY 0 JF

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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**FISCAL IMPACT STATEMENT - BILL NUMBER sSB 224**

STATE IMPACT	See Explanation Below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Departments of Social Services and Children and Families, Office of the Comptroller

EXPLANATION OF ESTIMATES:

To the extent that the bill fosters enhanced medical or behavioral health coverage for privately insured children, reduced demand for voluntary services provided by the Department of Children and Families under the Non-Committed Treatment Program (NCTP) may result. Historically, an average daily census of several hundred children and youth have accessed NCTP services. Any reduced demand for state funded services cannot be determined at this time, as it would be dependent upon the degree to which covered services are expanded under private managed care plans.

The requirement that managed care health plans provide medically necessary behavioral health services to eligible children or youth may result in increased future costs to the Medicaid program administered by the Department of Social Services. The Medicaid Managed Care program currently covers approximately 140,000 children and youth. If the requirements included in this bill increase the cost of business to the health plans that participate in Medicaid Managed Care, future managed care bids submitted may reflect these increases, thus passing the additional costs on to DSS. If the services provided under this provision of the bill prevent future increased health costs, then there

could be future potential cost savings to the Medicaid program.

The bill establishes a statutory definition of medical necessity and expands the level of benefits available for children's behavioral health under a managed care insurance plan. These changes are anticipated to result in increased future costs to the State Employees Health Services Cost account that cannot be determined at this time.

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### OLR BILL ANALYSIS

sSB 224

#### **AN ACT CONCERNING THE DEFINITION OF MEDICAL NECESSITY FOR CHILDREN'S BEHAVIORAL HEALTH IN MANAGED CARE HEALTH PLANS**

**SUMMARY:** This bill requires all managed care health plans issued or renewed in this state after September 30, 1998 to provide medically necessary behavioral health services to children and youth up to age 18. It defines "medically necessary" as health care provided to prevent a medical condition from occurring, correct or diminish the adverse effects of a medical or mental condition, or assist a person to attain or maintain an optimal level of health.

Under the bill, managed care plans must include the following services for children and youth:

1. coordinated medical and social services that ensure patients' health and safety;
2. preventive services designed to avoid the need for future medically necessary services; and
3. services to treat chronic, long-term disorders that would affect a child's physical or mental health if left untreated.

They must base the length of the treatment they provide on each child's individual needs.

EFFECTIVE DATE: October 1, 1998

**COMMITTEE ACTION**

Children's Committee

Joint Favorable Substitute Change of Reference  
Yea 11 Nay 0

Public Health Committee

Joint Favorable Report  
Yea 23 Nay 0