

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

HOUSE BILL 2232

4
5 By: Representative Wagner

For An Act To Be Entitled

9 "AN ACT TO BE ENTITLED ARKANSAS MENTAL HEALTH PARITY ACT
10 OF 1997 ; AND FOR OTHER PURPOSES."

Subtitle

13 "AN ACT TO BE ENTITLED ARKANSAS MENTAL
14 HEALTH PARITY ACT OF 1997. "

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18 SECTION 1. Short Title.

19 This act shall be known and may be cited as the "Arkansas Mental Health
20 Parity Act of 1997".

22 SECTION 2. Definitions.

23 (a) "Aggregate Lifetime Limit" means, with respect to benefits under a
24 policy or contract, a dollar limitation on the total amount that may be paid
25 with respect to such benefits under the policy or contract with respect to an
26 individual or other coverage unit.

27 (b) "Annual Limit" means, with respect to benefits under a policy or
28 contract, a dollar limitation on the total amount of benefits that may be paid
29 with respect to such benefits in a twelve (12) month period under the policy
30 or contract with respect to an individual or other coverage unit.

31 (c) "Commissioner" means the Insurance Commissioner for the State of
32 Arkansas.

33 (d) "Medical or surgical benefits" means benefits with respect to
34 medical or surgical services, as defined under the terms of the policy or
35 contract, but does not include mental health benefits.

36 (e) "Mental Health Benefits" means benefits with respect to mental

1 health services, as defined under the terms of the policy or contract, but
2 does not include benefits with respect to treatment of substance abuse or
3 chemical dependency.

4 (f) "Policy or contract" means a group disability insurance policy or
5 group service agreement delivered or issued for delivery in the State of
6 Arkansas by an insurer, hospital medical service corporation or health
7 maintenance organization.

8 (g) "Small employer" means an employer who employed an average of at
9 least two (2) but not more than fifty (50) employees on business days during
10 the preceding calendar year and who employs at least two (2) employees on the
11 first day of the plan year.

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13 SECTION 3. Aggregate Lifetime Limit.

14 (a) If the policy or contract does not include an aggregate lifetime
15 limit on substantially all medical and surgical benefits, the policy or
16 contract may not impose any aggregate lifetime limit on mental health
17 benefits.

18 (b) If the policy or contract includes an aggregate lifetime limit on
19 substantially all medical and surgical benefits (the "applicable lifetime
20 limit"), the policy or contract shall either:

21 (1) apply the applicable lifetime limit both to the medical and
22 surgical benefits to which it otherwise would apply and to mental health
23 benefits and not distinguish in the application of such limit between such
24 medical and surgical benefits and mental health benefits; or

25 (2) not include any aggregate lifetime limit on mental health
26 benefits that is less than the applicable lifetime limit.

27 (c) In the case of a policy or contract that is not described in
28 subparagraphs (a) or (b) and that includes no or different aggregate lifetime
29 limits on different categories of medical and surgical benefits, the
30 commissioner shall by regulation formulate rules for establishing the
31 applicable lifetime limit applicable to mental health benefits.

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33 SECTION 4. Annual Limit.

34 (a) If the policy or contract does not include an annual limit on
35 substantially all medical and surgical benefits, the policy or contract may
36 not impose any annual limit on mental health benefits.

1 (b) If the policy or contract includes an annual limit on substantially
 2 all medical and surgical benefits (the "applicable annual limit"), the policy
 3 or contract shall either:

4 (1) apply the applicable annual limit both to the medical and
 5 surgical benefits to which it otherwise would apply and to mental health
 6 benefits and not distinguish in the application of such limit between such
 7 medical and surgical benefits and mental health benefits; or

8 (2) not include any annual limit on mental health benefits that
 9 is less than the applicable annual limit.

10 (c) In the case of a policy or contract that is not described in
 11 subparagraphs (a) or (b) and that includes no or different annual limits on
 12 different categories of medical and surgical benefits, the commissioner shall
 13 by regulation formulate rules for establishing the applicable lifetime limit
 14 applicable to mental health benefits.

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16 SECTION 5. Exemptions.

17 (A) This act shall not apply to any policy or contract delivered or
 18 issued for delivery for coverage of employees and employee dependents of a
 19 small employer.

20 (B) This act shall not apply with respect to a policy or contract if
 21 the application of the act results in an increase in the employers cost for
 22 the policy or contract of at least one percent (1%).

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24 SECTION 6. Effective Date.

25 This act applies to all policies or contracts issued, renewed, extended
 26 or modified on or after January 1, 1998. "Renewed, extended or modified"
 27 shall include all policies or contracts which the insurer, hospital medical
 28 service corporation or health maintenance organization has reserved the right
 29 to change the premium.

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31 SECTION 7. All provisions of this act of a general and permanent nature
 32 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 33 Revision Commission shall incorporate the same in the Code.

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35 SECTION 8. If any provision of this act or the application thereof to
 36 any person or circumstance is held invalid, such invalidity shall not affect

1 other provisions or applications of the act which can be given effect without
2 the invalid provision or application, and to this end the provisions of this
3 act are declared to be severable.

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5 SECTION 9. All laws and parts of laws in conflict with this act are
6 hereby repealed.

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