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SENATE BILL NO. 1347

Offered January 11, 2023

Prefiled January 11, 2023

A *BILL to amend and reenact § 38.2-3412.1 of the Code of Virginia, relating to health insurance; coverage for mental health benefits; mobile crisis response services and residential crisis stabilization units.*

Patrons—Cosgrove, Reeves and Surovell

Referred to Committee on Commerce and Labor**Be it enacted by the General Assembly of Virginia:****1. That § 38.2-3412.1 of the Code of Virginia is amended and reenacted as follows:****§ 38.2-3412.1. Coverage for mental health and substance use disorders.**

A. As used in this section:

"Adult" means any person who is 19 years of age or older.

"Alcohol or drug rehabilitation facility" means a facility in which a state-approved program for the treatment of alcoholism or drug addiction is provided. The facility shall be either (i) licensed by the State Board of Health pursuant to Chapter 5 (§ 32.1-123 et seq.) of Title 32.1 or by the Department of Behavioral Health and Developmental Services pursuant to Article 2 (§ 37.2-403 et seq.) of Chapter 4 of Title 37.2 or (ii) a state agency or institution.

"Child or adolescent" means any person under the age of 19 years.

"Inpatient treatment" means mental health or substance abuse services delivered on a 24-hour per day basis in a hospital, alcohol or drug rehabilitation facility, an intermediate care facility or an inpatient unit of a mental health treatment center.

"Intermediate care facility" means a licensed, residential public or private facility that is not a hospital and that is operated primarily for the purpose of providing a continuous, structured 24-hour per day, state-approved program of inpatient substance abuse services.

"Medication management visit" means a visit no more than 20 minutes in length with a licensed physician or other licensed health care provider with prescriptive authority for the sole purpose of monitoring and adjusting medications prescribed for mental health or substance abuse treatment.

"Mental health services" or "mental health benefits" means benefits with respect to items or services for mental health conditions as defined under the terms of the health benefit plan. Any condition defined by the health benefit plan as being or as not being a mental health condition shall be defined to be consistent with generally recognized independent standards of current medical practice.

"Mental health treatment center" means a treatment facility organized to provide care and treatment for mental illness through multiple modalities or techniques pursuant to a written plan approved and monitored by a physician, clinical psychologist, or a psychologist licensed to practice in this Commonwealth. The facility shall be (i) licensed by the Commonwealth, (ii) funded or eligible for funding under federal or state law, or (iii) affiliated with a hospital under a contractual agreement with an established system for patient referral.

"Mobile crisis response services" means services delivered to provide for rapid response to, assessment of, and early intervention for individuals experiencing an acute mental health crisis that are deployed at the location of the individual.

"Network adequacy" means access to services by measure of distance, time, and average length of referral to scheduled visit.

"Outpatient treatment" means mental health or substance abuse treatment services rendered to a person as an individual or part of a group while not confined as an inpatient. Such treatment shall not include services delivered through a partial hospitalization or intensive outpatient program as defined herein.

"Partial hospitalization" means a licensed or approved day or evening treatment program that includes the major diagnostic, medical, psychiatric and psychosocial rehabilitation treatment modalities designed for patients with mental, emotional, or nervous disorders, and alcohol or other drug dependence who require coordinated, intensive, comprehensive and multi-disciplinary treatment. Such a program shall provide treatment over a period of six or more continuous hours per day to individuals or groups of individuals who are not admitted as inpatients. Such term shall also include intensive outpatient programs for the treatment of alcohol or other drug dependence which provide treatment over a period of three or more continuous hours per day to individuals or groups of individuals who are not admitted as inpatients.

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59 *"Residential crisis stabilization unit" means a short-term residential program providing support and*
60 *stabilization for individuals who are experiencing an acute mental health crisis.*

61 "Substance abuse services" or "substance use disorder benefits" means benefits with respect to items
62 or services for substance use disorders as defined under the terms of the health benefit plan. Any
63 disorder defined by the health benefit plan as being or as not being a substance use disorder shall be
64 defined to be consistent with generally recognized independent standards of current medical practice.

65 "Treatment" means services including diagnostic evaluation, medical, psychiatric and psychological
66 care, and psychotherapy for mental, emotional or nervous disorders or alcohol or other drug dependence
67 rendered by a hospital, alcohol or drug rehabilitation facility, intermediate care facility, mental health
68 treatment center, a physician, psychologist, clinical psychologist, licensed clinical social worker, licensed
69 professional counselor, licensed substance abuse treatment practitioner, licensed marriage and family
70 therapist or clinical nurse specialist. Treatment for physiological or psychological dependence on alcohol
71 or other drugs shall also include the services of counseling and rehabilitation as well as services
72 rendered by a state certified alcoholism, drug, or substance abuse counselor or substance abuse
73 counseling assistant, limited to the scope of practice set forth in § 54.1-3507.1 or 54.1-3507.2,
74 respectively, employed by a facility or program licensed to provide such treatment.

75 B. Except as provided in subsections C and D, group and individual health insurance coverage, as
76 defined in § 38.2-3431, shall provide *coverage for* mental health and substance use disorder benefits.
77 Such benefits shall be in parity with the medical and surgical benefits contained in the coverage in
78 accordance with the federal Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), P.L.
79 110-343, even where those requirements would not otherwise apply directly. *Coverage required under*
80 *this subsection shall include mobile crisis response services and support and stabilization services*
81 *provided in a residential crisis stabilization unit.*

82 C. Any grandfathered plan as defined in § 38.2-3438 in the small group market shall either continue
83 to provide benefits in accordance with subsection B or continue to provide coverage for inpatient and
84 partial hospitalization mental health and substance abuse services as follows:

85 1. Treatment for an adult as an inpatient at a hospital, inpatient unit of a mental health treatment
86 center, alcohol or drug rehabilitation facility or intermediate care facility for a minimum period of 20
87 days per policy or contract year.

88 2. Treatment for a child or adolescent as an inpatient at a hospital, inpatient unit of a mental health
89 treatment center, alcohol or drug rehabilitation facility or intermediate care facility for a minimum period
90 of 25 days per policy or contract year.

91 3. Up to 10 days of the inpatient benefit set forth in subdivisions 1 and 2 of this subsection may be
92 converted when medically necessary at the option of the person or the parent, as defined in § 16.1-336,
93 of a child or adolescent receiving such treatment to a partial hospitalization benefit applying a formula
94 which shall be no less favorable than an exchange of 1.5 days of partial hospitalization coverage for
95 each inpatient day of coverage. An insurance policy or subscription contract described herein that
96 provides inpatient benefits in excess of 20 days per policy or contract year for adults or 25 days per
97 policy or contract year for a child or adolescent may provide for the conversion of such excess days on
98 the terms set forth in this subdivision.

99 4. The limits of the benefits set forth in this subsection shall not be more restrictive than for any
100 other illness, except that the benefits may be limited as set out in this subsection.

101 5. This subsection shall not apply to any excepted benefits policy as defined in § 38.2-3431, nor to
102 policies or contracts designed for issuance to persons eligible for coverage under Title XVIII of the
103 Social Security Act, known as Medicare, or any other similar coverage under state or federal
104 governmental plans.

105 D. Any grandfathered plan as defined in § 38.2-3438 in the small group market shall also either
106 continue to provide benefits in accordance with subsection B or continue to provide coverage for
107 outpatient mental health and substance abuse services as follows:

108 1. A minimum of 20 visits for outpatient treatment of an adult, child or adolescent shall be provided
109 in each policy or contract year.

110 2. The limits of the benefits set forth in this subsection shall be no more restrictive than the limits of
111 benefits applicable to physical illness; however, the coinsurance factor applicable to any outpatient visit
112 beyond the first five of such visits covered in any policy or contract year shall be at least 50 percent.

113 3. For the purpose of this section, medication management visits shall be covered in the same
114 manner as a medication management visit for the treatment of physical illness and shall not be counted
115 as an outpatient treatment visit in the calculation of the benefit set forth herein.

116 4. For the purpose of this subsection, if all covered expenses for a visit for outpatient mental health
117 or substance abuse treatment apply toward any deductible required by a policy or contract, such visit
118 shall not count toward the outpatient visit benefit maximum set forth in the policy or contract.

119 5. This subsection shall not apply to any excepted benefits policy as defined in § 38.2-3431, nor to
120 policies or contracts designed for issuance to persons eligible for coverage under Title XVIII of the

121 Social Security Act, known as Medicare, or any other similar coverage under state or federal
122 governmental plans.

123 E. The requirements of this section shall apply to all insurance policies and subscription contracts
124 delivered, issued for delivery, reissued, renewed, or extended, or at any time when any term of the
125 policy or contract is changed or any premium adjustment made.

126 F. The provisions of this section shall not apply in any instance in which the provisions of this
127 section are inconsistent or in conflict with a provision of Article 6 (§ 38.2-3438 et seq.) of Chapter 34.

128 G. The Bureau of Insurance, in consultation with health carriers providing coverage for mental health
129 and substance use disorder benefits pursuant to this section, shall develop reporting requirements
130 regarding denied claims, complaints, appeals, and network adequacy involving such coverage set forth in
131 this section. By November 1 of each year, the Bureau shall compile the information for the preceding
132 year into a report that ensures the confidentiality of individuals whose information has been reported and
133 is written in nontechnical, readily understandable language. The Bureau shall include in the report a
134 summary of all comparative analyses prepared by health carriers pursuant to 42 U.S.C. § 300gg-26(a)(8)
135 that the Bureau requested during the reporting period. This summary shall include the Bureau's
136 explanation of whether the analyses were accepted as compliant, rejected as noncompliant, or are in
137 process of review. For analyses that were noncompliant, the report shall include the corrective actions
138 that the Bureau required the health carrier to take to come into compliance. The Bureau shall make the
139 report available to the public by, among such other means as the Bureau finds appropriate, posting the
140 reports on the Bureau's website and submit the report to the House Committee on Commerce and
141 Energy and the Senate Committee on Commerce and Labor.

142 **2. That the provisions of this act shall apply to all insurance policies, subscription contracts, and**
143 **health care plans delivered, issued for delivery, reissued, or extended in the Commonwealth on**
144 **and after January 1, 2024, or at any time thereafter when any term of the policy, contract, or**
145 **plan is changed or any premium adjustment is made.**