

## **Department of Planning and Budget**

### **2023 Fiscal Impact Statement**

**1. Bill Number:** SB1301

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Deeds

**3. Committee:** Commerce and Labor

**4. Title:** Managed care health insurance plan licensees; network adequacy for mental health care services.

- 5. Summary:** Requires each managed care health insurance plan licensee (licensee) to (i) provide a sufficient number and mix of services, specialists, and practice sites to meet covered persons' mental health care needs; (ii) ensure that covered persons have telephone access 24 hours a day, seven days a week, to responsible and knowledgeable mental health care practitioners capable of assessing the covered persons' conditions and, as necessary, providing for appropriate services; and (iii) incorporate strategies into its access procedures to facilitate utilization of the licensee's mental health care services by covered persons with physical, mental, language, or cultural barriers. The bill requires a managed care health insurance plan licensee to cover out-of-network mental health care services to a covered person if (a) the licensee does not have a mental health care provider within its network capable of providing mental health care services to the covered person; (b) the majority of the managed care health insurance plan licensee's mental health care providers within 25 miles of a covered person or, if appropriate for the covered person, available via telemedicine who have experience treating the general age group of a covered person are no longer accepting new patients or have wait-lists to receive care; or (c) the managed care health insurance plan licensee does not have a mental health care provider within 25 miles of a covered person or, if appropriate for the covered person, available via telemedicine who (1) has experience or expertise in treating patients who share the emotionally distressing experiences, defined in the bill, or demographics of the covered person seeking care and (2) is capable of providing care within the next 31 days. The bill provides that a licensee may require certain verification that the mental health care services are related to an emotionally distressing experience but is prohibited from requiring proof of a criminal proceeding.

The bill requires a managed care health insurance plan licensee, for any covered person seeking mental health care services that has self-harm or suicidal ideation, to cover any associated out-of-network care such that the covered person shall not be responsible for any additional costs incurred by the managed care health insurance plan licensee for such services, other than any applicable copayment, coinsurance, or deductible. The bill requires a licensee to accept verification from the associated out-of-network provider that the mental health care services provided were related to the covered person's self-harm or suicidal

ideation and prohibits a licensee from imposing any additional requirements to verify that the covered person was seeking care related to self-harm or suicidal ideation.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary – see Item 8.

**8. Fiscal Implications:** According to the Department of Human Resource Management (DHRM), the proposed legislation is projected to have an annual fiscal impact of \$242,345 to the state health insurance plan. The fiscal impact assumes that switching from an in-network to an out-of-network provider may lead to a 30% loss in the network discount. DHRM also assumed that 20% of in-network claims will shift to out-of-network, except for in-network inpatient hospital, where DHRM assumed 10% would shift to out-of-network. No changes are expected to be made to emergency room, ambulance, and telehealth costs.

**9. Specific Agency or Political Subdivisions Affected:** Department of Human Resource Management

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This bill is a companion to HB 1879.