

CHAPTER 463**(HB 268)**

AN ACT relating to mental health and substance abuse.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 4 of this Act, unless the context requires otherwise:

- (1) "Mental health condition" means any condition or disorder that involves mental illness or alcohol and other drug abuse as defined in KRS 222.005 and that falls under any of the diagnostic categories listed in the Diagnostic and Statistical Manual of Mental Disorders (Fourth Edition) or that is listed in the mental disorders section of the international classification of disease, or the most recent subsequent editions;*
- (2) "Terms or conditions" includes day or visit limits, episodes of care, any lifetime or annual payment limits, deductibles, copayments, prescription coverage, coinsurance, outof-pocket limits, and any other cost-sharing requirements; and*
- (3) "Treatment of a mental health condition" includes, but is not limited to, any necessary outpatient, inpatient, residential, partial hospitalization, day treatment, emergency detoxification, or crisis stabilization services.*

SECTION 2. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) Notwithstanding any other provision of law, a health benefit plan issued or renewed after the effective date of this Act that provides coverage for treatment of a mental health condition shall provide coverage of any treatment for a mental health condition under the same terms or conditions as provided for treatment of a physical health condition.*
- (2) Expenses for mental health and physical health conditions shall be combined for purposes of meeting deductible and out-of-pocket limits required under a health benefit plan.*
- (3) A health benefit plan that does not otherwise provide for management of care under the plan or that does not provide for the same degree of management of care for all health or mental health conditions may provide coverage for treatment of mental health conditions through a managed care organization.*
- (4) For the purposes of a health benefit plan issued or renewed on or after the effective date of this Act, any mental health condition that is excluded from the standard health benefit plan authorized by KRS 304.17A-250 and in effect on January 1, 2000, may continue as an exclusion under this section.*
- (5) A violation of this section shall constitute an act of discrimination and shall be an unfair trade practice under this chapter. The remedies provided under subtitle 12 of this chapter shall apply to conduct in violation of this section.*

SECTION 3. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Sixty (60) days prior to the regular session of the General Assembly in 2002, and sixty (60) days prior to each subsequent regular session of the General Assembly, the commissioner shall

submit a written report to the Legislative Research Commission on the impact on health insurance costs of Sections 1 to 4 of this Act.

SECTION 4. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *Nothing in Sections 1 to 4 of this Act shall be construed as mandating coverage for mental health conditions.*
- (2) *The following shall be exempt from the provisions of Sections 1 to 4 of this Act:*
 - (a) *A group health benefit plan covering fewer than fifty (50) employees;*
 - (b) *An individual health benefit plan; and*
 - (c) *An employer-organized association as defined in KRS 304.17A-005. Approved April 21, 2000*

