

SENATE, No. 2050

STATE OF NEW JERSEY

INTRODUCED MAY 8, 1997

By Senators BASSANO, CODEY, Connors, Matheussen, Rice
and Singer

1 AN ACT concerning health benefits coverage for serious mental illness
2 and supplementing various parts of the statutory law.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. a. Every individual or group hospital service corporation
8 contract providing hospital or medical expense benefits that is
9 delivered, issued, executed or renewed in this State pursuant to
10 P.L.1938, c.366 (C.17:48-1 et seq.), or approved for issuance or
11 renewal in this State by the Commissioner of Banking and Insurance,
12 on or after the effective date of this act shall provide benefits to any
13 subscriber or other person covered thereunder for the treatment of
14 serious mental illness when that treatment is recommended or
15 prescribed by a licensed physician. When a diagnosis of serious mental
16 illness is accompanied by substance abuse, the individual or group
17 hospital service corporation contract shall also provide benefits for the
18 treatment of substance abuse.

19 b. For purposes of this section, "serious mental illness" means any
20 mental illness that is recognized in the latest edition of relevant
21 manuals of the American Psychiatric Association or by the
22 International Classification of Diseases, and affirmed by medical
23 science as caused by biological disorder of the brain, and that
24 substantially limits the life activities of the covered person. The term
25 includes, but is not limited to, schizophrenia, schizoaffective disorders,
26 anxiety and panic disorders, bipolar affective disorders, major
27 depression and obsessive-compulsive disorder.

28 c. The benefits required by this section shall be provided to the
29 same extent as for any other sickness under the contract.

30 d. This section shall apply to all hospital service corporation
31 contracts in which the hospital service corporation has reserved the
32 right to change the premium.

33 e. The provisions of this section shall not apply to a health benefits
34 plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et
35 seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

1 2. a. Every individual or group medical service corporation
2 contract providing hospital or medical expense benefits that is
3 delivered, issued, executed or renewed in this State pursuant to
4 P.L.1940, c.74 (C.17:48A-1 et seq.), or approved for issuance or
5 renewal in this State by the Commissioner of Banking and Insurance,
6 on or after the effective date of this act shall provide benefits to any
7 subscriber or other person covered thereunder for the treatment of
8 serious mental illness when that treatment is recommended or
9 prescribed by a licensed physician. When a diagnosis of serious mental
10 illness is accompanied by substance abuse, the individual or group
11 medical service corporation contract shall also provide benefits for the
12 treatment of substance abuse.

13 b. For purposes of this section, "serious mental illness" means any
14 mental illness that is recognized in the latest edition of relevant
15 manuals of the American Psychiatric Association or by the
16 International Classification of Diseases, and affirmed by medical
17 science as caused by biological disorder of the brain, and that
18 substantially limits the life activities of the covered person. The term
19 includes, but is not limited to, schizophrenia, schizoaffective disorders,
20 anxiety and panic disorders, bipolar affective disorders, major
21 depression and obsessive-compulsive disorder.

22 c. The benefits required by this section shall be provided to the
23 same extent as for any other sickness under the contract.

24 d. This section shall apply to all medical service corporation
25 contracts in which the medical service corporation has reserved the
26 right to change the premium.

27 e. The provisions of this section shall not apply to a health benefits
28 plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et
29 seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

30

31 3. a. Every individual or group health service corporation contract
32 providing hospital or medical expense benefits that is delivered, issued,
33 executed or renewed in this State pursuant to P.L.1985, c.236
34 (C.17:48E-1 et seq.), or approved for issuance or renewal in this State
35 by the Commissioner of Banking and Insurance, on or after the
36 effective date of this act shall provide benefits to any subscriber or
37 other person covered thereunder for the treatment of serious mental
38 illness when that treatment is recommended or prescribed by a licensed
39 physician. When a diagnosis of serious mental illness is accompanied
40 by substance abuse, the individual or group health service corporation
41 contract shall also provide benefits for the treatment of substance
42 abuse.

43 b. For purposes of this section, "serious mental illness" means any
44 mental illness that is recognized in the latest edition of relevant
45 manuals of the American Psychiatric Association or by the
46 International Classification of Diseases, and affirmed by medical

1 science as caused by biological disorder of the brain, and that
2 substantially limits the life activities of the covered person. The term
3 includes, but is not limited to, schizophrenia, schizoaffective disorders,
4 anxiety and panic disorders, bipolar affective disorders, major
5 depression and obsessive-compulsive disorder.

6 c. The benefits required by this section shall be provided to the
7 same extent as for any other sickness under the contract.

8 d. This section shall apply to all health service corporation
9 contracts in which the health service corporation has reserved the right
10 to change the premium.

11 e. The provisions of this section shall not apply to a health benefits
12 plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et
13 seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

14

15 4. a. Every individual health insurance policy providing hospital or
16 medical expense benefits that is delivered, issued, executed or renewed
17 in this State pursuant to chapter 26 of Title 17B of the New Jersey
18 Statutes, or approved for issuance or renewal in this State by the
19 Commissioner of Banking and Insurance, on or after the effective date
20 of this act shall provide benefits to any person covered thereunder for
21 the treatment of serious mental illness when that treatment is
22 recommended or prescribed by a licensed physician. When a diagnosis
23 of serious mental illness is accompanied by substance abuse, the
24 individual or group health service corporation contract shall also
25 provide benefits for the treatment of substance abuse.

26 b. For purposes of this section, "serious mental illness" means any
27 mental illness that is recognized in the latest edition of relevant
28 manuals of the American Psychiatric Association or by the
29 International Classification of Diseases, and affirmed by medical
30 science as caused by biological disorder of the brain, and that
31 substantially limits the life activities of the covered person. The term
32 includes, but is not limited to, schizophrenia, schizoaffective disorders,
33 anxiety and panic disorders, bipolar affective disorders, major
34 depression and obsessive-compulsive disorder.

35 c. The benefits required by this section shall be provided to the
36 same extent as for any other sickness under the policy.

37 d. This section shall apply to all individual health insurance policies
38 in which the insurer has reserved the right to change the premium.

39 e. The provisions of this section shall not apply to a health benefits
40 plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et
41 seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

42

43 5. a. Every group health insurance policy providing hospital or
44 medical expense benefits that is delivered, issued, executed or renewed
45 in this State pursuant to chapter 27 of Title 17B of the New Jersey
46 Statutes, or approved for issuance or renewal in this State by the

1 Commissioner of Banking and Insurance, on or after the effective date
2 of this act shall provide benefits to any person covered thereunder for
3 the treatment of serious mental illness when that treatment is
4 recommended or prescribed by a licensed physician. When a diagnosis
5 of serious mental illness is accompanied by substance abuse, the
6 individual or group health service corporation contract shall also
7 provide benefits for the treatment of substance abuse.

8 b. For purposes of this section, "serious mental illness" means any
9 mental illness that is recognized in the latest edition of relevant
10 manuals of the American Psychiatric Association or the International
11 Classification of Diseases, and affirmed by medical science as caused
12 by biological disorder of the brain, and that substantially limits the life
13 activities of the covered person. The term includes, but is not limited
14 to, schizophrenia, schizoaffective disorders, anxiety and panic
15 disorders, bipolar affective disorders, major depression and obsessive-
16 compulsive disorder.

17 c. The benefits required by this section shall be provided to the
18 same extent as for any other sickness under the policy.

19 d. This section shall apply to all group health insurance policies in
20 which the insurer has reserved the right to change the premium.

21 e. The provisions of this section shall not apply to a health benefits
22 plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et
23 seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

24

25 6. a. A certificate of authority to establish and operate a health
26 maintenance organization in this State shall not be issued or continued
27 by the Commissioner of Health and Senior Services on or after the
28 effective date of this act unless the health maintenance organization
29 provides health care services to any enrollee or other person covered
30 thereunder for the treatment of serious mental illness when that
31 treatment is recommended or prescribed by a licensed physician.
32 When a diagnosis of serious mental illness is accompanied by
33 substance abuse, the contract shall also provide benefits for the
34 treatment of substance abuse.

35 b. For purposes of this section, "serious mental illness" means any
36 mental illness that is recognized in the latest edition of relevant
37 manuals of the American Psychiatric Association or by the
38 International Classification of Diseases, and affirmed by medical
39 science as caused by biological disorder of the brain, and that
40 substantially limits the life activities of the covered person. The term
41 includes, but is not limited to, schizophrenia, schizoaffective disorders,
42 anxiety and panic disorders, bipolar affective disorders, major
43 depression and obsessive-compulsive disorder.

44 c. The health care services required by this section shall be
45 provided to the same extent as for any other sickness under the
46 enrollee agreement.

1 d. This section shall apply to all enrollee agreements for health care
2 services in which the health maintenance organization has reserved the
3 right to change the schedule of charges.

4 e. The provisions of this section shall not apply to a health benefits
5 plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et
6 seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

7
8 7. This act shall take effect immediately.

9
10
11 STATEMENT

12
13 This bill requires hospital service corporations, medical service
14 corporations, health service corporations, commercial individual and
15 group health insurers and health maintenance organizations to provide
16 health benefits coverage for the treatment of serious mental illness
17 when such treatment is recommended or prescribed by a licensed
18 physician. The bill also requires that benefits be provided for the
19 treatment of substance abuse if the diagnosis of serious mental illness
20 is accompanied by such abuse.

21 The bill defines "serious mental illness" as any mental illness that is
22 recognized in the latest edition of relevant manuals of the American
23 Psychiatric Association or by the International Classification of
24 Diseases, and affirmed by medical science as caused by biological
25 disorder of the brain, and that substantially limits the life activities of
26 the covered person. The term includes, but is not limited to,
27 schizophrenia, schizoaffective disorders, anxiety and panic disorders,
28 bipolar affective disorders, major depression and obsessive-compulsive
29 disorder.

30 By requiring health benefits coverage for the treatment of serious
31 mental illness, the bill promotes the relief and alleviation of health and
32 medical problems which affect a significant portion of the population.

33
34
35 _____
36
37 Requires health benefits coverage for serious mental illness.