

1 AN ACT in relation to insurance.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Department of Insurance Law of the Civil
5 Administrative Code of Illinois is amended by adding Section
6 1405-30 as follows:

7 (20 ILCS 1405/1405-30)

8 Sec. 1405-30. Mental health insurance study.

9 (a) The Department of Insurance shall conduct an
10 analysis and study of costs and benefits derived from the
11 implementation of the coverage requirements for treatment of
12 mental disorders established under Section 370c of the
13 Illinois Insurance Code. The study shall cover the years
14 2002, 2003, and 2004. The study shall include an analysis of
15 the effect of the coverage requirements on the cost of
16 insurance and health care, the results of the treatments to
17 patients, any improvements in care of patients, and any
18 improvements in the quality of life of patients.

19 (b) The Department shall report the results of its study
20 to the General Assembly and the Governor on or before March
21 1, 2005.

22 Section 10. The Illinois Insurance Code is amended by
23 changing Section 370c as follows:

24 (215 ILCS 5/370c) (from Ch. 73, par. 982c)

25 Sec. 370c. Mental and emotional disorders.

26 (a) (1) On and after the effective date of this Section,
27 every insurer which delivers, issues for delivery or renews
28 or modifies group A&H policies providing coverage for
29 hospital or medical treatment or services for illness on an

1 expense-incurred basis shall offer to the applicant or group
2 policyholder subject to the insurers standards of
3 insurability, coverage for reasonable and necessary treatment
4 and services for mental, emotional or nervous disorders or
5 conditions, other than serious mental illnesses as defined in
6 item (2) of subsection (b), up to the limits provided in the
7 policy for other disorders or conditions, except (i) the
8 insured may be required to pay up to 50% of expenses incurred
9 as a result of the treatment or services, and (ii) the annual
10 benefit limit may be limited to the lesser of \$10,000 or 25%
11 of the lifetime policy limit.

12 (2) Each insured that is covered for mental, emotional
13 or nervous disorders or conditions shall be free to select
14 the physician licensed to practice medicine in all its
15 branches, licensed clinical psychologist, or licensed
16 clinical social worker of his choice to treat such disorders,
17 and the insurer shall pay the covered charges of such
18 physician licensed to practice medicine in all its branches,
19 licensed clinical psychologist, or licensed clinical social
20 worker up to the limits of coverage, provided (i) the
21 disorder or condition treated is covered by the policy, and
22 (ii) the physician, licensed psychologist, or licensed
23 clinical social worker is authorized to provide said services
24 under the statutes of this State and in accordance with
25 accepted principles of his profession.

26 (3) Insofar as this Section applies solely to licensed
27 clinical social workers, those persons who may provide
28 services to individuals shall do so after the licensed
29 clinical social worker has informed the patient of the
30 desirability of the patient conferring with the patient's
31 primary care physician and the licensed clinical social
32 worker has provided written notification to the patient's
33 primary care physician, if any, that services are being
34 provided to the patient. That notification may, however, be

1 waived by the patient on a written form. Those forms shall
2 be retained by the licensed clinical social worker for a
3 period of not less than 5 years.

4 (b) (1) An insurer that provides coverage for hospital
5 or medical expenses under a group or individual policy of
6 accident and health insurance or health care plan amended,
7 delivered, issued, or renewed after the effective date of
8 this amendatory Act of the 92nd General Assembly shall
9 provide coverage under the policy for treatment of serious
10 mental illness under the same terms and conditions as
11 coverage for hospital or medical expenses related to other
12 illnesses and diseases. The coverage required under this
13 Section must provide for same durational limits, amount
14 limits, deductibles, and co-insurance requirements for
15 serious mental illness as are provided for other illnesses
16 and diseases. This subsection does not apply to coverage
17 provided to employees by employers who have 50 or fewer
18 employees.

19 (2) "Serious mental illness" means the following
20 psychiatric illnesses as defined in the most current edition
21 of the Diagnostic and Statistical Manual (DSM) published by
22 the American Psychiatric Association:

- 23 (A) schizophrenia;
- 24 (B) paranoid and other psychotic disorders;
- 25 (C) bipolar disorders (hypomanic, manic,
26 depressive, and mixed);
- 27 (D) major depressive disorders (single episode or
28 recurrent);
- 29 (E) schizoaffective disorders (bipolar or
30 depressive);
- 31 (F) pervasive developmental disorders;
- 32 (G) obsessive-compulsive disorders;
- 33 (H) depression in childhood and adolescence; and
- 34 (I) panic disorder.

1 (3) Upon request of the reimbursing insurer, a provider
2 of treatment of serious mental illness shall furnish medical
3 records or other necessary data that substantiate that
4 initial or continued treatment is at all times medically
5 necessary. An insurer shall provide a mechanism for the
6 timely review by a provider holding the same license and
7 practicing in the same specialty as the patient's provider,
8 who is unaffiliated with the insurer, jointly selected by the
9 patient (or the patient's next of kin or legal representative
10 if the patient is unable to act for himself or herself), the
11 patient's provider, and the insurer in the event of a dispute
12 between the insurer and patient's provider regarding the
13 medical necessity of a treatment proposed by a patient's
14 provider. If the reviewing provider determines the treatment
15 to be medically necessary, the insurer shall provide
16 reimbursement for the treatment. Future contractual or
17 employment actions by the insurer regarding the patient's
18 provider may not be based on the provider's participation in
19 this procedure. Nothing prevents the insured from agreeing
20 in writing to continue treatment at his or her expense. When
21 making a determination of the medical necessity for a
22 treatment modality for serous mental illness, an insurer must
23 make the determination in a manner that is consistent with
24 the manner used to make that determination with respect to
25 other diseases or illnesses covered under the policy,
26 including an appeals process.

27 (4) A group health benefit plan:

28 (A) shall provide coverage based upon medical
29 necessity for the following treatment of mental illness
30 in each calendar year;

31 (i) 45 days of inpatient treatment; and

32 (ii) 60 visits for outpatient treatment
33 including group and individual outpatient treatment;

34 (B) may not include a lifetime limit on the number

1 of days of inpatient treatment or the number of
2 outpatient visits covered under the plan; and

3 (C) shall include the same amount limits,
4 deductibles, copayments, and coinsurance factors for
5 serious mental illness as for physical illness.

6 (5) An issuer of a group health benefit plan may not
7 count toward the number of outpatient visits required to be
8 covered under this Section an outpatient visit for the
9 purpose of medication management and shall cover the
10 outpatient visits under the same terms and conditions as it
11 covers outpatient visits for the treatment of physical
12 illness.

13 (6) An issuer of a group health benefit plan may provide
14 or offer coverage required under this Section through a
15 managed care plan.

16 (7) This Section shall not be interpreted to require a
17 group health benefit plan to provide coverage for treatment
18 of:

19 (A) an addiction to a controlled substance or
20 cannabis that is used in violation of law; or

21 (B) mental illness resulting from the use of a
22 controlled substance or cannabis in violation of law.

23 (8) This subsection (b) is inoperative after December
24 31, 2005.

25 (Source: P.A. 86-1434.)

26 Section 99. Effective date. This Act takes effect
27 January 1, 2002.