

CALIFORNIA STATE BOARD OF BEHAVIORAL SCIENCES BILL ANALYSIS

BILL NUMBER: AB 1451 **VERSION:** AMENDED MAY 1, 2023

AUTHOR: JACKSON **SPONSOR:** AUTHOR

RECOMMENDED POSITION: NONE

SUBJECT: URGENT AND EMERGENT MENTAL HEALTH AND SUBSTANCE USE DISORDER TREATMENT

Summary: This bill requires a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2024 that provides coverage for medically necessary treatment of mental health and substance use disorders to also cover treatment for urgent and emergent mental health and substance use disorders.

Existing Law:

- 1) Requires every health care service plan contract or disability insurance policy issued, amended or renewed on or after January 1, 2021 that provides hospital, medical, or surgical coverage to also provide coverage for medically necessary treatment of mental health and substance use disorders under the same terms and conditions applied to other medical conditions. (Health and Safety Code (HSC) §1374.72(a)(1), Insurance Code (IC) §10144.5(a)(1))
- 2) States that “mental health and substance use disorders” means a mental health condition or substance use disorder that falls under any of the diagnostic categories listed in the mental and behavioral disorders chapter of the most recent edition of the World Health Organization’s International Statistical Classification of Diseases and Related Health Problems, or listed in the most recent version of the American Psychiatric Association’s Diagnostic and Statistical Manual of Mental Disorders. (HSC §1374.72(a)(2), IC §10144.5(a)(2))
- 3) States that “medically necessary treatment of a mental health or substance use disorder” means a service or product addressing that patient’s specific needs, for the purpose of preventing, diagnosing, or treating an illness, injury, condition, or its symptoms - including minimizing its progression – in a manner that is all of the following (HSC §1374.72(a)(3), IC §10144.5(a)(3)):
 - a) In accordance with generally accepted standards of mental health and substance use disorder care;

- b) Clinically appropriate in terms of type, frequency, extent, site, and duration; and
- c) Not primarily for the economic benefit of the health care service plan or disability insurance policy and its subscribers/insureds or for the convenience of the patient, treating physician, or other health care provider.

This Bill:

- 4) Requires that a health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2024 that provides coverage for medically necessary treatment of mental health and substance use disorders must also cover treatment for urgent and emergent mental health and substance use disorders. (HSC §1374.725(a), IC §10144.58(a))
- 5) Provides that the treatment for urgent and emergent mental health and substance use disorders shall not require preauthorization. (HSC §1374.725(b), IC §10144.58(b))
- 6) Requires the health care service plan or health insurer to provide reimbursement for the services provided for the urgent and emergent mental health and substance use disorders in compliance with requirements for timely payment of claims. (HSC §1374.725(c), IC §10144.58(c))

Comments:

1) **Author Statement.** The author states that with mental health being designated as a crisis, our billing system needs to catch up to address ongoing behavioral health crises.

2) **Previous Legislation**

- SB 855 (Chapter 151, Statutes of 2020) This bill expanded California's 1999 Mental Health Parity Act, which had required health plans and insurers to provide coverage for the diagnosis and medically necessary treatment of severe mental illness (for persons of any age), and for serious emotional disturbances of a child under the same terms and conditions applied to other medical conditions. This bill required health plans and insurers to cover all medically necessary treatment of mental health and substance use disorders under the same terms and conditions applied to other medical conditions.
- AB 88 (Chapter 534, Statutes of 1999) required health plans and insurers to provide coverage for the diagnosis and medically necessary treatment of severe mental illness (for persons of any age), and for serious emotional disturbances of a child under the same terms and conditions applied to other medical conditions.

Support and Opposition

Support

- California Academy of Family Physicians
- California Pan - Ethnic Health Network
- California Psychological Association
- DBSA California
- National Health Law Program
- Senior Advocacy Services

Oppose

- America's Health Insurance Plans (AHIP)
- Association of California Life & Health Insurance Companies
- California Association of Health Plans

History

05/01/23 Read second time and amended.
04/27/23 From committee: Amend and do pass as amended and re-refer to Com. on APPR. (Ayes 12. Noes 0.) (April 25).
03/09/23 Referred to Com. on HEALTH.
02/17/23 From printer. May be heard in committee March 20.
02/17/23 Read first time. To print.

ASSEMBLY BILL

No. 1451

Introduced by Assembly Member Jackson

February 17, 2023

An act to add Section 1374.725 to the Health and Safety Code, and to add Section 10144.58 to the Insurance Code, relating to health care coverage.

legislative counsel's digest

AB 1451, as amended, Jackson. ~~Behavioral health crisis~~ *Urgent and emergent mental health and substance use disorder* treatment.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan or health insurer that provides hospital, medical, or surgical coverage shall provide coverage for medically necessary treatment of mental health and substance use disorders, under the same terms and conditions applied to other medical conditions, as specified. Existing law also includes requirements for timely access to care, including mental health services, including a requirement that a health care service plan or health insurer provide or arrange for the provision of covered health care services in a timely manner appropriate for the nature of the enrollee's or insured's condition consistent with good professional practice.

This bill would require a health care service plan contract or health insurance policy issued, amended, renewed, or delivered on or after

January 1, 2024, to provide coverage for treatment of a behavioral health crisis that is identified during an appointment at a contracted facility where an enrollee or insured is receiving treatment from a contracted provider for a medical condition, as specified. The bill would authorize treatment for the behavioral health crisis to be provided at the contracted facility, if the facility has the appropriate staff to provide that care. *urgent and emergent mental health and substance use disorders.* The bill would require the treatment to be provided without preauthorization, and would authorize the provider or facility to use same-day billing to obtain reimbursement for both the medical and behavioral health services provided to the enrollee or insured. *preauthorization, and to be reimbursed in a timely manner; pursuant to specified provisions.* Because a violation of the bill’s requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1374.725 is added to the Health and
 2 Safety Code, to read:
 3 1374.725. (a) A health care service plan contract issued,
 4 amended, or renewed on or after January 1, 2024, that provides
 5 coverage for medically necessary treatment of mental health and
 6 substance use disorders shall cover treatment for a behavioral
 7 health crisis *urgent and emergent mental health and substance use*
 8 *disorders* as provided in this section.
 9 (b) ~~During an appointment at a contracted facility, at which an~~
 10 ~~enrollee is receiving treatment from a contracted provider for a~~
 11 ~~medical condition, and it is the provider’s medical judgment that~~
 12 ~~the enrollee also shows signs of a behavioral health crisis, treatment~~
 13 ~~for the behavioral health crisis may also be provided at the~~
 14 ~~contracted facility, if the facility has the appropriate staff to provide~~
 15 ~~that care.~~

1 ~~(e)~~
 2 ~~(b) Treatment for a behavioral health crisis urgent and emergent~~
 3 ~~mental health and substance use disorders pursuant to this section~~
 4 ~~shall not require preauthorization. The provider or facility may~~
 5 ~~use same-day billing to obtain reimbursement for both the medical~~
 6 ~~and behavioral health services provided to the enrollee.~~

7 ~~(d)~~
 8 ~~(c) A health care service plan shall provide reimbursement for~~
 9 ~~services provided pursuant to this section in compliance with the~~
 10 ~~requirements for timely payment of claims, as required by this~~
 11 ~~chapter.~~

12 SEC. 2. Section 10144.58 is added to the Insurance Code, to
 13 read:

14 10144.58. (a) A health insurance policy issued, amended, or
 15 renewed on or after January 1, 2024, that provides coverage for
 16 medically necessary treatment of mental health and substance use
 17 disorders shall cover treatment for a behavioral health crisis *urgent*
 18 *and emergent mental health and substance use disorders* as
 19 provided in this section.

20 ~~(b) During an appointment at a contracted facility, at which an~~
 21 ~~insured is receiving treatment from a contracted provider for a~~
 22 ~~medical condition, and it is the provider’s medical judgment that~~
 23 ~~the insured also shows signs of a behavioral health crisis, treatment~~
 24 ~~for the behavioral health crisis may also be provided at the~~
 25 ~~contracted facility, if the facility has the appropriate staff to provide~~
 26 ~~that care.~~

27 ~~(e)~~
 28 ~~(b) Treatment for a behavioral health crisis pursuant to this~~
 29 ~~section urgent and emergent mental health and substance use~~
 30 ~~disorders shall not require preauthorization. The provider or facility~~
 31 ~~may use same-day billing to obtain reimbursement for both the~~
 32 ~~medical and behavioral health services provided to the insured.~~

33 ~~(d)~~
 34 ~~(c) A health insurer shall provide reimbursement for services~~
 35 ~~provided pursuant to this section in compliance with Section~~
 36 ~~10123.13.~~

37 SEC. 3. No reimbursement is required by this act pursuant to
 38 Section 6 of Article XIII B of the California Constitution because
 39 the only costs that may be incurred by a local agency or school
 40 district will be incurred because this act creates a new crime or

1 infraction, eliminates a crime or infraction, or changes the penalty
2 for a crime or infraction, within the meaning of Section 17556 of
3 the Government Code, or changes the definition of a crime within
4 the meaning of Section 6 of Article XIII B of the California
5 Constitution.

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