SENATE BILL NO. XXX

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

**BY SENATOR \_\_\_\_\_\_\_**

**Introduced: 1/XX/2019**

**Referred: Health and Human Services, Labor and Commerce, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

**“An Act requiring health care insurers to demonstrate compliance with the Mental Health Parity and Addiction Equity Act (MHPAEA and providing for an effective date.”**

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

**\*Section 1.** AS 21.51 is amended by adding a new section to read:

 **Sec. 21.51.350. Mental health and substance use disorder parity reporting.** (a) Each health care insurer that offers a health care insurance plan in the individual market that provides mental health and substance use disorder benefits shall submit an annual report to the director on or before March 1 that contains the following information:

 (1) A description of the process used to develop or select the medical necessity criteria for mental health and substance use disorder benefits and the process used to develop or select the medical necessity criteria for medical and surgical benefits;

 (2) Identification of all non-quantitative treatment limitations (NQTLs) that are applied to both mental health and substance use disorder benefits and medical and surgical benefits within each classification of benefits; there may be no separate NQTLs that apply to mental health and substance use disorder benefits but do not apply to medical and surgical benefits within any classification of benefits;

 (3) The results of an analysis that demonstrates that for the medical necessity criteria described in paragraph (1) and for each NQTL identified in paragraph (2), as written and in operation, the processes, strategies, evidentiary standards, or other factors used in applying the medical necessity criteria and each NQTL to mental health and substance use disorder benefits within each classification of benefits are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the medical necessity criteria and each NQTL to medical and surgical benefits within the corresponding classification of benefits; at a minimum, the results of the analysis shall:

 (A) Identify the factors used to determine that an NQTL will apply to a benefit, including factors that were considered but rejected;

 (B) Identify and define the specific evidentiary standards used to define the factors and any other evidence relied upon in designing each NQTL;

 (C) Provide the comparative analyses, including the results of the analyses, performed to determine that the processes and strategies used to design each NQTL, as written, and the as written processes and strategies used to apply the NQTL to mental health and substance use disorder benefits are comparable to, and are applied no more stringently than, the processes and strategies used to design each NQTL, as written, and the as written processes and strategies used to apply the NQTL to medical and surgical benefits;

 (D) Provide the comparative analyses, including the results of the analyses, performed to determine that the processes and strategies used to apply each NQTL, in operation, for mental health and substance use disorder benefits are comparable to, and are applied no more stringently than, the processes or strategies used to apply each NQTL, in operation, for medical and surgical benefits; and

 (E) Disclose the specific findings and conclusions reached by the health care insurer that the results of the analyses above indicate that the health care insurer is in compliance with this section and the Mental Health Parity and Addiction Equity Act of 2008 and its implementing and related regulations, which includes 45 CFR 146.136, 45 CFR 147.160, and 45 CFR 156.115(a)(3).

**\*Sec. 2.** AS 21.54 is amended by adding a new section to read:

 **Sec. 21.54.152. Mental health and substance use disorder parity reporting.** (a) Each health care insurer that offers a health care insurance plan in the group market that provides mental health and substance use disorder benefits shall submit an annual report to the director on or before March 1 that contains the following information:

 (1) A description of the process used to develop or select the medical necessity criteria for mental health and substance use disorder benefits and the process used to develop or select the medical necessity criteria for medical and surgical benefits;

 (2) Identification of all non-quantitative treatment limitations (NQTLs) that are applied to both mental health and substance use disorder benefits and medical and surgical benefits within each classification of benefits; there may be no separate NQTLs that apply to mental health and substance use disorder benefits but do not apply to medical and surgical benefits within any classification of benefits;

 (3) The results of an analysis that demonstrates that for the medical necessity criteria described in paragraph (1) and for each NQTL identified in paragraph (2), as written and in operation, the processes, strategies, evidentiary standards, or other factors used in applying the medical necessity criteria and each NQTL to mental health and substance use disorder benefits within each classification of benefits are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the medical necessity criteria and each NQTL to medical and surgical benefits within the corresponding classification of benefits; at a minimum, the results of the analysis shall:

 (A) Identify the factors used to determine that an NQTL will apply to a benefit, including factors that were considered but rejected;

 (B) Identify and define the specific evidentiary standards used to define the factors and any other evidence relied upon in designing each NQTL;

 (C) Provide the comparative analyses, including the results of the analyses, performed to determine that the processes and strategies used to design each NQTL, as written, and the as written processes and strategies used to apply the NQTL to mental health and substance use disorder benefits are comparable to, and are applied no more stringently than, the processes and strategies used to design each NQTL, as written, and the as written processes and strategies used to apply the NQTL to medical and surgical benefits;

 (D) Provide the comparative analyses, including the results of the analyses, performed to determine that the processes and strategies used to apply each NQTL, in operation, for mental health and substance use disorder benefits are comparable to, and are applied no more stringently than, the processes or strategies used to apply each NQTL, in operation, for medical and surgical benefits; and

 (E) Disclose the specific findings and conclusions reached by the health care insurer that the results of the analyses above indicate that the health care insurer is in compliance with this section and the Mental Health Parity and Addiction Equity Act of 2008 and its implementing and related regulations, which includes 45 CFR 146.136, 45 CFR 147.160, and 45 CFR 156.115(a)(3).

**\* Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

 APPLICABILITY. This act applies to a health insurance plan, contract, or policy that is offered, issued for delivery, delivered, or renewed on or after the effective date of this act.

**\*Sec. 4.** This Act takes effect July 1, 2019.