*Session of 2019*

**HOUSE BILL No. XXXX**

By Committee on Insurance

X-X

AN ACT concerning insurance; requiring parity compliance reports; specifying commissioner implementation and reporting requirements.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) All health insurers that offer health benefit plans that provide coverage for the diagnosis and treatment of mental illnesses or substance use disorders must submit an annual report to the commissioner on or before January 1 that contains the following information:

(1) A description of the process used to develop or select the medical necessity criteria for mental illness 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 illness 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 illness 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 item (1) and for each NQTL identified in item (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 illness 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 illness 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 illness and substance use disorder benefits are comparable to, and applied no more stringently than, the processes or strategies used to apply each NQTL, in operation, for medical and surgical benefits.

(E) Disclose the specific findings and conclusions reached by the health insurer that the results of the analyses above indicate that the health 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).

(b) For the purposes of this section:

(1) “Health benefit plan" shall have the meaning ascribed to it in K.S.A. 40-4602, and amendments thereto. Health benefit plan shall also include any policy of health insurance purchased by an individual.

(2) "Health insurer" shall have the meaning ascribed to it in K.S.A. 40-4602, and amendments thereto.

(3) “Mental illness or substance use disorder” means benefits for the treatment of any condition or disorder that involves a mental health condition or substance use disorder that falls under any of the diagnostic categories listed in the mental disorders section of the current edition of the International Classification of Disease or that is listed in the mental disorders section of the most recent version of the Diagnostic and Statistical Manual of Mental Disorders.

(4) “Nonquantitative treatment limitation” means limitations that are not expressed numerically but otherwise limit the scope or duration of benefits for treatment.

Section 2. This act shall take effect and be in force from and after its publication in the Kansas register.