

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Meg Bushman-Reinhold
Reviewed by: Matt Stayner
Date: 5/26/2017

Measure Description:

Requires Department of Consumer and Business Services to conduct certain investigations into parity of reimbursement paid by insurers to mental health providers and physicians.

Government Unit(s) Affected:

Department of Consumer and Business Services (DCBS)

Summary of Expenditure Impact:

See Analysis.

Analysis:

<Revised to add updated information received from the agency>

This bill requires the Department of Consumer and Business Services (DCBS) to conduct examinations of health insurers to review reimbursement parity and utilization management procedures for behavioral mental health providers, as compared to medical providers and mental health providers with prescribing privileges.

The type of examinations required by this bill are not the type of examinations normally done by DCBS. DCBS would need to issue a Request for Proposals and procure contracted resources to perform the examinations required. Based on the cost of similar contracts issued for market conduct examinations in recent years, DCBS estimates that each examination would cost approximately \$50,000. DCBS anticipates conducting 12 target examinations to meet the requirements of the bill. DCBS would be reimbursed by insurers for any costs associated with the examinations.

It is possible that these examinations will uncover compliance issues that may result in an increased workload for the enforcement unit at DCBS. Any such workload increase, however, is only speculative at this point.