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HOUSE BILL 489

**44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999**

INTRODUCED BY

Edward C. Sandoval

AN ACT

RELATING TO INSURANCE; PROVIDING FOR PARITY FOR MENTAL HEALTH  
INSURANCE; ENACTING A SECTION OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new Section 59A-18-32 NMSA 1978 is enacted to read:

"59A-18-32. [NEW MATERIAL] PARITY FOR MENTAL HEALTH

INSURANCE.--

A. An insurer, including a health maintenance organization, nonprofit health care plan or fraternal benefit society that offers a group health plan or an individual health plan shall not impose treatment limitations or financial requirements on the coverage of mental health services if similar limitations or requirements are not imposed on coverage of services for other conditions.

B. An insurer, including a health maintenance organization, nonprofit health care plan or fraternal benefit society that offers a group health care plan or an individual health care plan may:

- (1) require pre-admission screening prior to the authorization of

1 mental health services if covered under a plan;

2 (2) apply other limitations that restrict coverage for mental health  
3 services to those that are medically necessary; and

4 (3) exclude mental health services from the plan.

5 C. For purposes of this section, "mental health services" means mental health  
6 services as defined under the terms of the plan or coverage but does not include services with  
7 respect to treatment of substance abuse, chemical dependency or gambling addiction."

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1 FORTY-FOURTH LEGISLATURE

2 FIRST SESSION, 1999

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6 February 23, 1999

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9 Mr. Speaker:

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11 Your **BUSINESS AND INDUSTRY COMMITTEE**, to whom has been  
12 referred

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14 **HOUSE BILL 489**

15 has had it under consideration and reports same with recommendation that it **DO NOT**  
16 **PASS**, but that

17  
18 **HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE**  
19 **FOR HOUSE BILL 489**

20  
21 **DO PASS.**

1 FORTY-FOURTH LEGISLATURE  
2 FIRST SESSION, 1999

3 HB/C/HB 489

Page 4

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5 Respectfully submitted,

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10 **Debbie A. Rodella, Chairwoman**

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12 Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
13 (Chief Clerk) (Chief Clerk)

14  
15 Date \_\_\_\_\_  
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17 The roll call vote was 6 For 4 Against

18 Yes: 6  
19 No: Hobbs, Lutz, Mohorovic, Taylor, T.  
20 Excused: Sanchez  
21 Absent: Kissner

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HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 489

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

AN ACT

RELATING TO INSURANCE; PROVIDING FOR PARITY FOR MENTAL HEALTH  
INSURANCE; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new Section 59A-22-2.1 NMSA 1978 is enacted to read:

"59A-22-2.1. [NEW MATERIAL] PARITY FOR MENTAL HEALTH  
INSURANCE.--

A. An insurer, including a health maintenance organization, nonprofit health care plan or fraternal benefit society that offers a group health plan or an individual health plan shall not impose treatment limitations or financial requirements on the coverage of mental health services if similar limitations or requirements are not imposed on coverage of services for other conditions.

B. An insurer, including a health maintenance organization, nonprofit health care plan or fraternal benefit society that offers a group health care plan or an individual health care plan may:

(1) require pre-admission screening prior to the authorization of mental health services if covered under a plan;

(2) apply other limitations that restrict coverage for mental health

1 services to those that are medically necessary; and

2 (3) exclude mental health services from the plan.

3 C. For purposes of this section, "mental health services" means mental health  
4 services as defined under the terms of the plan or coverage but does not include services with  
5 respect to treatment of substance abuse, chemical dependency or gambling addiction."

6 Section 2. Section 59A-23-4 NMSA 1978 (being Laws 1984, Chapter 127, Section  
7 463, as amended by Laws 1997, Chapter 7, Section 2 and by Laws 1997, Chapter 249, Section  
8 2 and by Laws 1997, Chapter 250, Section 2 and also by Laws 1997, Chapter 255, Section 2)  
9 is amended to read:

10 "59A-23-4. OTHER PROVISIONS APPLICABLE.--

11 A. No blanket or group health insurance policy or contract shall contain any  
12 provision relative to notice or proof of loss or the time for paying benefits or the time within  
13 which suit may be brought upon the policy that in the superintendent's opinion is less favorable  
14 to the insured than would be permitted in the required or optional provisions for individual  
15 health insurance policies as set forth in Chapter 59A, Article 22 NMSA 1978.

16 B. The following provisions of Chapter 59A, Article 22 NMSA 1978 shall  
17 also apply as to Chapter 59A, Article 23 NMSA 1978 and blanket and group health insurance  
18 contracts:

19 (1) Section 59A-22-1 NMSA 1978, except Subsection C of that  
20 section; [~~and~~]

21 (2) Section 59A-22-2.1 NMSA 1978; and

22 [~~(2)~~] (3) Section 59A-22-32 NMSA 1978.

23 C. The following provisions of Chapter 59A, Article 22 NMSA 1978 shall  
24 also apply as to group health insurance contracts:

25 (1) Section 59A-22-33 NMSA 1978;

(2) Section 59A-22-34 NMSA 1978;

(3) Section 59A-22-34.1 NMSA 1978;

(4) Section 59A-22-35 NMSA 1978;

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- (5) Section 59A-22-36 NMSA 1978;
- (6) Section 59A-22-39 NMSA 1978;
- (7) Section 59A-22-34.3 NMSA 1978;
- (8) Section 59A-22-39.1 NMSA 1978;
- ~~(7)~~ (9) Section 59A-22-40 NMSA 1978; and
- ~~(8)~~ (10) Section 59A-22-41 NMSA 1978."

Section 3. Section 59A-46-30 NMSA 1978 (being Laws 1993, Chapter 266, Section 29, as amended) is amended to read:

"59A-46-30. STATUTORY CONSTRUCTION AND RELATIONSHIP TO OTHER LAWS.--

A. The provisions of the Insurance Code other than Chapter 59A, Article 46 NMSA 1978 shall not apply to health maintenance organizations except as expressly provided in the Insurance Code and that article. To the extent reasonable and not inconsistent with the provisions of that article, the following articles and provisions of the Insurance Code shall also apply to health maintenance organizations and their promoters, sponsors, directors, officers, employees, agents, solicitors and other representatives. For the purposes of such applicability, a health maintenance organization may therein be referred to as an "insurer":

- (1) Chapter 59A, Article 1 NMSA 1978;
- (2) Chapter 59A, Article 2 NMSA 1978;
- ~~(3) Chapter 59A, Article 3 NMSA 1978;~~
- ~~(4)~~ (3) Chapter 59A, Article 4 NMSA 1978;
- ~~(5)~~ (4) Subsection C of Section 59A-5-22 NMSA 1978;
- ~~(6)~~ (5) Sections 59A-6-2 through 59A-6-4 and 59A-6-6 NMSA 1978;
- ~~(7)~~ (6) Chapter 59A, Article 8 NMSA 1978;
- ~~(8)~~ (7) Chapter 59A, Article 10 NMSA 1978;
- ~~(9)~~ (8) Section 59A-12-22 NMSA 1978;
- ~~(10)~~ (9) Chapter 59A, Article 16 NMSA 1978;

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- ~~[(H)]~~ (10) Chapter 59A, Article 18 NMSA 1978;
- ~~[(H2)]~~ (11) Chapter 59A, Article 19 NMSA 1978;
- (12) Section 59A-22-2.1 NMSA 1978;
- (13) Section 59A-22-14 NMSA 1978;
- (14) Chapter 59A, Article 23B NMSA 1978;
- (15) Sections 59A-34-9 through 59A-34-13, 59A-34-17, 59A-34-23, 59A-34-36 and 59A-34-37 NMSA 1978;
- (16) Chapter 59A, Article 37 NMSA 1978; and
- (17) the Patient Protection Act.

B. Solicitation of enrollees by a health maintenance organization granted a certificate of authority, or its representatives, shall not be construed as violating any provision of law relating to solicitation or advertising by health professionals, but health professionals shall be individually subject to the laws, rules, regulations and ethical provisions governing their individual professions.

C. Any health maintenance organization authorized under the provisions of the Health Maintenance Organization Law shall not be deemed to be practicing medicine and shall be exempt from the provisions of laws relating to the practice of medicine."

Section 4. Section 59A-47-33 NMSA 1978 (being Laws 1984, Chapter 127, Section 879.32, as amended) is amended to read:

"59A-47-33. OTHER PROVISIONS APPLICABLE.--The provisions of the Insurance Code other than Chapter 59A, Article 47 NMSA 1978 shall not apply to health care plans except as expressly provided in the Insurance Code and that article. To the extent reasonable and not inconsistent with the provisions of that article, the following articles and provisions of the Insurance Code shall also apply to health care plans, their promoters, sponsors, directors, officers, employees, agents, solicitors and other representatives; and, for the purposes of such applicability, a health care plan may therein be referred to as an "insurer":

- A. Chapter 59A, Article 1 NMSA 1978;
- B. Chapter 59A, Article 2 NMSA 1978;

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- C. Chapter 59A, Article 4 NMSA 1978;
- D. Subsection C of Section 59A-5-22 NMSA 1978;
- E. Sections 59A-6-2 through 59A-6-4 and  
59A-6-6 NMSA 1978;
- F. Section 59A-7-11 NMSA 1978;
- G. Chapter 59A, Article 8 NMSA 1978;
- H. Chapter 59A, Article 10 NMSA 1978;
- I. Section 59A-12-22 NMSA 1978;
- J. Chapter 59A, Article 16 NMSA 1978;
- K. Chapter 59A, Article 18 NMSA 1978;
- L. Chapter 59A, Article 19 NMSA 1978;
- M. Section 59A-22-2.1 NMSA 1978;
- ~~[M:]~~ N. Subsections B through E of Section  
59A-22-5 NMSA 1978;
- ~~[N:]~~ O. Section 59A-22-14 NMSA 1978;
- ~~[O:]~~ P. Section 59A-22-34.1 NMSA 1978;
- ~~[P:]~~ Q. Section 59A-22-39 NMSA 1978;
- ~~[Q:]~~ R. Section 59A-22-40 NMSA 1978;
- ~~[R:]~~ S. Section 59A-22-41 NMSA 1978;
- ~~[S:]~~ T. Sections 59A-34-9 through 59A-34-13 and 59A-34-23 NMSA 1978;
- ~~[T:]~~ U. Chapter 59A, Article 37 NMSA 1978, except Section 59A-37-7  
NMSA 1978;
- ~~[U:]~~ V. Section 59A-46-15 NMSA 1978; and
- ~~[V:]~~ W. the Patient Protection Act."

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**FORTY-FOURTH LEGISLATURE** **HB 489/a**  
**FIRST SESSION, 1999**

March 6, 1999

Mr. President:

Your **CORPORATIONS & TRANSPORTATION COMMITTEE**, to  
whom has been referred

**HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE**  
**FOR**  
**HOUSE BILL 489**

has had it under consideration and reports same with recommendation that it **DO PASS**,  
amended as follows:

- 1. On page 2, between lines 12 and 13, insert the following subsection:

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**FORTY-FOURTH LEGISLATURE  
FIRST SESSION, 1999**

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SCORC/HB 489

Page 11

"C. This section does not apply to disability income insurance or long-term care insurance.".

2. Reletter the succeeding subsection accordingly.

Respectfully submitted,

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**Roman M. Maes, Chairman**

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

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HBIC/HB 489

**FORTY-FOURTH LEGISLATURE  
FIRST SESSION, 1999**

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SCORC/HB 489

Page 12

Date \_\_\_\_\_

The roll call vote was 6 For 1 Against

Yes: 6

No: Kysar

Excused: Aragon, Robinson, Maes

Absent: None

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1 HBIC/HB 489

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FORTY-FOURTH LEGISLATURE

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FIRST SESSION

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March 9, 1999

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10 SENATE FLOOR AMENDMENT number \_\_\_\_\_ to HOUSE BUSINESS AND  
11 INDUSTRY COMMITTEE  
12 SUBSTITUTE FOR HOUSE BILL  
13 489, as amended

14

15 Amendment sponsored by Senator Linda M. Lopez

16

17

18 1. On page 7, between lines 17 and 18, insert:

19

20 "Section 5. APPLICABILITY.--The provisions of this act shall apply to health insurance  
21 policies entered into or renewed on or after January 1, 2000."

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FORTY-FOURTH LEGISLATURE  
FIRST SESSION

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SF1/HB 489

Page 17

\_\_\_\_\_  
Linda M. Lopez

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

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