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BULLETIN

To: Insurers With Authority To Write Health Insurance in Maryland
Nonprofit Health Service Plans
Health Maintenance Organizations

Re: Residential Crisis Services Mandate

Date: January 13, 2004

Bulletin: Life and Health # 04-01

The purpose of this bulletin is to remind insurers, nonprofit health service plans and health maintenance organizations of the residential crisis service benefits that are required to be provided in Maryland.

Requirements for Contracts Other Than Small Employer Contracts

Chapter 394 of the Acts of the General Assembly of 2002 added a mandated benefit for residential crisis services (codified as §15-840 of the Insurance Article). This mandated benefit is required to appear in the following contracts, if the contracts are issued, delivered or renewed in Maryland on or after October 1, 2002:

- (1) Insurer and nonprofit health service plan contracts that provide hospital, medical, or surgical benefits to individuals or groups on an expense-incurred basis; and
- (2) Health maintenance organization contracts.

Section 15-840(a) of the Insurance Article defines *residential crisis services* as follows:

"Residential crisis services' means intensive mental health and support services that are:

- (1) Provided to a child or an adult with a mental illness who is experiencing or is at risk of a psychiatric crisis that would impair the individual's ability to function in the community;
- (2) Designed to prevent a psychiatric inpatient admission, provide an alternative to psychiatric inpatient admission, or shorten the length of inpatient stay;
- (3) Provided out of the individual's residence on a short-term basis in a community-based residential setting; and
- (4) Provided by entities that are licensed by the Department of Health and Mental Hygiene to provide residential crisis services."

Entities subject to §15-840 of the Insurance Article should have amended all of their contracts by this date to comply with the mandate. If a contract has not been amended, it is required to be administered in accordance with §15-840 of the Insurance Article.

Requirements for Small Employer Contracts

By virtue of § 15-1207 of the Insurance Article, the Maryland Health Care Commission (MHCC) is responsible for developing the comprehensive health benefit plan for the small employer market. Section 15-1207(e) of the Insurance Article gives MHCC the right to omit mandated benefits from the comprehensive health benefit plan. MHCC has elected, however, to include the mandated benefit reflected in § 15-840 in the comprehensive standard health benefit plan. Specifically, MHCC added this mandate to the comprehensive health benefit plan when COMAR 31.11.06.03A(4) was revised to include a benefit for "residential crisis services." The benefit is required to appear in every small employer contract issued or renewed on or after July 1, 2003.

The term *residential crisis service* is defined identically in COMAR 31.11.06.02 to the definition found in §15-840 of the Insurance Article. The benefit found in the small employer contracts is permitted to be subject to the 60-day annual benefit limit that applies to all inpatient confinements for the treatment of mental illness or substance abuse.

Any questions about this bulletin should be directed to the Life/Health Section of the Maryland Insurance Administration at 410-468-2170.

Howard Max
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Life and Health