**GENERAL ASSEMBLY OF NORTH CAROLINA**

**2019**

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**SENATE DRSXXXX-XX-X (X/XX)**

Short Title: Mental Health Parity Reporting. (Public)

Sponsors: Senators\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE TRANSPARENCY AND COMPLIANCE WITH MENTAL HEALTH PARITY AND PROVIDE SUBSTANCE-RELATED MEDICATION PROVISIONS

The General Assembly of North Carolina Enacts

**Section 1.** Article 3 of Chapter 58 is amend by adding a new section to read:

**"§ 58-3-305. Mental illness and substance-related disorder parity.**

(a) The Commissioner shall implement and enforce applicable provisions of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, and any amendments to, and any federal guidance or regulations relevant to, that act, including 45 CFR 146.136, 45 CFR 147.136, 45 CFR 147.160, and 45 CFR 156.115(a)(3), which includes:

1. Proactively ensuring compliance by health insurance issuers that issue, sell, renew, or offer health benefit plans, as defined in G.S. 58-3-167(a)(1), in the State in the individual or group market.
2. Evaluating all consumer or provider complaints regarding mental illness and substance-related disorder coverage for possible parity violations.
3. Performing parity compliance market conduct examinations of health insurance issuers that issue, sell, renew, or offer health benefit plans, as defined in G.S. 58-3-167(a)(1), in the State in the individual or group market, particularly market conduct examinations that focus on nonquantitative treatment limitations such as prior authorization, concurrent review, retrospective review, step-therapy, network admission standards, reimbursement rates, and geographic restrictions, among other nonquantitative treatment limitations.
4. Requesting that health insurance issuers that issue, sell, renew, or offer health benefit plans, as defined in G.S. 58-3-167(a)(1), in the State in the individual or group market submit comparative analyses during the form review process demonstrating how they design and apply nonquantitative treatment limitations, both as written and in operation, for mental illness and substance-related disorder benefits as compared to how they design and apply nonquantitative treatment limitations, as written and in operation, for medical and surgical benefits.
5. The Commissioner may adopt rules, as authorized under G.S. 58-2-40, as may be necessary to effectuate any provisions of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 that relate to the business of insurance.

(b) Not later than April 30th, 2020, the Commissioner shall issue a report and educational presentation to the General Assembly, which shall:

1. Cover the methodology the Commissioner is using to check for compliance with the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), and any federal regulations or guidance relating to the compliance and oversight of MHPAEA.
2. Cover the methodology the Commissioner is using to check for compliance with G.S. 58-3-220, G.S. 58-51-50, G.S. 58-65-75, G.S. and G.S. 58-67-70.
3. Identify market conduct examinations conducted or completed during the preceding 12-month period regarding compliance with parity in mental illness and substance-related disorder benefits under state and federal laws and summarize the results of such market conduct examinations.
4. Detail any educational or corrective actions the Commissioner has taken to ensure health insurance issuer compliance with MHPAEA and G.S. 58-3-220, G.S. 58-51-50, G.S. 58-65-75, G.S. and G.S. 58-67-70.
5. The report must be written in non-technical, readily understandable language and shall be made available to the public by, among such other means as the Commissioner finds appropriate, posting the report on the Internet Website of the Department of Insurance.

**SECTION 2.** This act becomes effective July 1, 2019.