

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 653

Short Title: Mental Health & SUD Parity Report. (Public)

Sponsors: Representatives Cunningham, Lambeth, K. Baker, and Adcock (Primary Sponsors).

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Health, if favorable, Rules, Calendar, and Operations of the House

April 26, 2021

A BILL TO BE ENTITLED

AN ACT TO REQUIRE INSURERS OFFERING A HEALTH BENEFIT PLAN IN THIS STATE TO SUBMIT AN ANNUAL MENTAL HEALTH AND SUBSTANCE USE DISORDER PARITY REPORT TO THE COMMISSIONER OF THE DEPARTMENT OF INSURANCE AND THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES BEGINNING MARCH 1, 2022.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 3 of Chapter 58 of the General Statutes is amended by adding a new section to read:

**"§ 58-3-220.1. Mental health and substance use disorder parity report.**

(a) No later than March 1 of each year, each insurer offering a health benefit plan in this State shall submit to the Commissioner and to the Joint Legislative Oversight Committee on Health and Human Services a report detailing the insurer's compliance with federal and State mental health and substance use disorder parity laws using data from the two calendar years preceding the date of submission of the report and accounting for each health benefit plan offered by that insurer.

(b) Reports required under this section shall contain all of the following information:

(1) Rates of utilization review for mental health and substance use disorder claims compared to medical and surgical claims, including rates of approval and denial, categorized by benefits provided under the following classifications:

a. Inpatient in-network.

b. Inpatient out-of-network.

c. Outpatient in-network.

d. Outpatient out-of-network.

e. Emergency care.

f. Prescription drugs.

(2) The number of prior or concurrent authorization requests for mental health and substance use disorder services and the number of denials for those requests, compared with the number of prior or concurrent authorization requests for medical and surgical services and the number of denials for those requests, categorized by the same classifications identified in subdivision (1) of this subsection.

(3) The rates of appeals of adverse determinations, including the rates of adverse determinations upheld and overturned, for mental health and substance use



- 1 disorder claims compared with the rates of appeals of adverse determinations,  
2 including the rates of adverse determinations upheld and overturned, for  
3 medical and surgical claims.
- 4 (4) The percentage of claims paid for in-network mental health and substance use  
5 disorder services compared with the percentage of claims paid for in-network  
6 medical and surgical services.
- 7 (5) The percentage of claims paid for out-of-network mental health and substance  
8 use disorder services compared with the percentage of claims paid for  
9 out-of-network medical and surgical services.
- 10 (6) A comparison of the cost-sharing requirements, including copayments and  
11 coinsurance, and the benefit limitations, including limitations on the scope and  
12 duration of coverage, for mental health and substance use disorder services  
13 with the same cost-sharing requirements and benefit limitations for medical  
14 and surgical services.
- 15 (7) The number, by type, of in-network providers that provide services for the  
16 treatment and diagnosis of substance use disorder and the number, by type, of  
17 in-network providers that provide services for the diagnosis and treatment of  
18 mental health disorders, however defined by the health benefit plan.  
19 Additionally, of the number of in-network providers, the percentage who are  
20 licensed to practice in this State and who are licensed to practice in contiguous  
21 states.
- 22 (8) Any other data, information, or metric the Commissioner determines is  
23 necessary to measure compliance with mental health and substance use  
24 disorder parity laws. The Commissioner may not require the disclosure of any  
25 privileged or confidential information, trade secret, or protected health  
26 information.
- 27 (c) No later than July 1 of each year, the Commissioner shall publish on the Department's  
28 website all reports submitted under this section for that calendar year.
- 29 (d) No information submitted by an insurer shall disclose any protected health  
30 information of an insured."

31 **SECTION 2.** This act becomes effective January 1, 2022.