

## **BULLETIN 99-2**

**TO: ALL MAJOR MEDICAL INSURERS**

**FROM: DARLA L. LYON, DIRECTOR**

**DATE: June 3, 1999**

**RE: MENTAL HEALTH PARITY**

There have been a number of questions received regarding mental health parity requirements in South Dakota. South Dakota does have a state specific mental health parity law that does not mirror the federal law. Unlike the federal law, biologically based mental illnesses must be covered in all comprehensive individual and group health insurance plans. There is not an option under the South Dakota law that would allow a plan to become exempt from the requirements upon a showing of an adverse premium impact.

The South Dakota law was originally passed in 1998. In 1999 the law was amended (HB1264) to more clearly define what illnesses are considered to be biologically based. The South Dakota mental health parity laws are found in SDCL 58-17-98, SDCL 58-18-80, SDCL 58-18B-53, SDCL 58-38-40, SDCL 58-40-37 and SDCL 58-41-115.

HB 1264 reads in part:

Every policy of health insurance that is delivered, issued for delivery, or renewed in this state, except for policies that provide coverage for specified disease or other limited benefit coverage, shall provide, in writing, coverage for the treatment and diagnosis of biologically-based mental illnesses with the same dollar limits, deductibles, coinsurance factors, and restrictions as for other covered illness.

No individual or group contracts subject to the law may contain special limitations on dollar amount, deductibles and coinsurance factors that are not generally applicable to other conditions covered under the contract. The treatment of a biologically based illness may not be limited to the number of days of treatment unless this restriction also generally applies to other sicknesses or illnesses covered under the policy. The same equivalent treatment standard would apply to the managed care provisions of the contract.