

Appendix D.1
Model Mental Health Provider Reimbursement and Credentialing
Legislation

Introduced Version

HOUSE BILL No. XXXX

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-5-15.8; IC 27-13-7-14.

Synopsis: Mental health provider reimbursement.

Effective: _____.

_____, _____, _____, _____, _____

Insert date ____, read for the first time and referred to the Committee on Insurance



Introduced
First Regular Session of the 124th General Assembly (2025)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~. Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution. Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

HOUSE BILL No. XXXX

A BILL FOR AN ACT to amend the Indiana Code concerning insurance

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 27-8-5-15.8, AS ADDED BY P.L.103-2020, SEC.4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15.8. (a) As used in this section, "treatment of a mental illness or substance abuse" means:

- (1) treatment for a mental illness, as defined in IC 12-7-2-130(1); and
- (2) treatment for drug abuse or alcohol abuse.

(b) As used in this section, "act" refers to the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Act of 2008 and any amendments thereto, plus 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).

(c) As used in this section, "classifications of benefits" refers to those classifications described in 45 CFR 146.136(c)(2)(ii).

~~(e)~~ (d) As used in this section, "nonquantitative treatment limitations" refers to those limitations described in 26 CFR 54.9812-1, 29 CFR 2590.712, and 45 CFR 146.136.

~~(d)~~ (e) An insurer that issues a policy of accident and sickness insurance that provides coverage of services for treatment of a mental illness or substance abuse shall submit a report to the department not later than December 31 of each year that contains the following information:

- (1) A description of the processes:
 - (A) used to develop or select the medical necessity criteria for coverage of services for treatment of a mental illness or substance abuse; and
 - (B) used to develop or select the medical necessity criteria for coverage of services for treatment of other medical or surgical conditions.
- (2) Identification of all nonquantitative treatment limitations that are applied to:
 - (A) coverage of services for treatment of a mental illness or substance abuse; and
 - (B) coverage of services for treatment of other medical or surgical conditions;



within each classification of benefits.

(e) (f) There may be no separate nonquantitative treatment limitations that apply to coverage of services for treatment of a mental illness or substance abuse that do not apply to coverage of services for treatment of other medical or surgical conditions within any classification of benefits.

(f) (g) An insurer that issues a policy of accident and sickness insurance that provides coverage of services for treatment of a mental illness or substance abuse shall also submit an analysis showing the insurer's compliance with this section and the act to the department not later than December 31 of each year. The analysis must do the following:

- (1) Identify the factors used to determine that a nonquantitative treatment limitation will apply to a benefit, including factors that were considered but rejected.
- (2) Identify and define the specific evidentiary standards used to define the factors and any other evidence relied upon in designing each nonquantitative treatment limitation.
- (3) Provide the comparative analyses, including the results of the analyses, performed to determine the following:
 - (A) That the processes and strategies used to design each nonquantitative treatment limitation for coverage of services for treatment of a mental illness or substance abuse are comparable to, and applied no more stringently than, the processes and strategies used to design each nonquantitative treatment limitation for coverage of services for treatment of other medical or surgical conditions.
 - (B) That the processes and strategies used to apply each nonquantitative treatment limitation for treatment of a mental illness or substance abuse are comparable to, and applied no more stringently than, the processes and strategies used to apply each nonquantitative limitation for treatment of other medical or surgical conditions.
- (4) Provide the information on reimbursement rates described in subsection (h), subsection (i), and subsection (j).**

(h) An insurer that issues a policy of accident and sickness insurance that provides coverage of services for treatment of a mental illness or substance abuse shall be deemed in compliance with the act by the department in terms of reimbursement rates in a classification of benefits if reimbursement rates for providers of mental illness or substance abuse services are at least as favorable relative to Medicare rates as reimbursement rates are for providers of medical or surgical services relative to Medicare rates in the respective classification of benefits.

(i) The department shall perform deeper examination of an insurer that issues a policy of accident and sickness insurance that provides coverage of services for treatment of a mental illness or substance abuse for possible noncompliance with the act under circumstances in which reimbursement rates for providers of mental illness or substance abuse services in a classification of benefits are at least ten percent lower relative to Medicare rates than reimbursement rates for providers of medical or surgical benefits relative to Medicare rates in the respective classification of benefits.

(j) The Department shall adopt rules for the purposes of determining the value of reimbursement rates relative to Medicare rates, as described in subsection (h) and subsection (i).



(k) If a provider of health care services that provides both medical or surgical services and mental illness or substance abuse services is credentialed with an insurer for the purposes of providing medical or surgical services, the provider shall be considered automatically credentialed for the purposes of providing mental illness or substance abuse services in instances under which the insurer provides coverage of mental illness or substance abuse services through a third-party vendor.

~~(g)~~ **(l)** The department shall adopt rules to ensure compliance with this section and the applicable provisions of the act.

SECTION 2. IC 27-13-7-14.2, AS ADDED BY P.L. 103-2020, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.2. (a) As used in this section, "treatment of a mental illness or substance abuse" means:

- (1) treatment for a mental illness, as defined in [IC 12-7-2-130\(1\)](#); and
- (2) treatment for drug abuse or alcohol abuse.

(b) As used in this section, "act" refers to the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Act of 2008 and any amendments thereto, plus 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).

(c) As used in this section, "classifications of benefits" refers to those classifications described in 45 CFR 146.136(c)(2)(ii).

~~(e)~~ **(d)** As used in this section, "nonquantitative treatment limitations" refers to those limitations described in 26 CFR 54.9812-1, 29 CFR 2590.712, and 45 CFR 146.136.

~~(d)~~ **(e)** An individual contract or a group contract that provides coverage of services for treatment of a mental illness or substance abuse shall submit a report to the department not later than December 31 of each year that contains the following information:

- (1) A description of the processes:
 - (A) used to develop or select the medical necessity criteria for coverage of services for treatment of a mental illness or substance abuse; and
 - (B) used to develop or select the medical necessity criteria for coverage of services for treatment of other medical or surgical conditions.
- (2) Identification of all nonquantitative treatment limitations that are applied to:
 - (A) coverage of services for treatment of a mental illness or substance abuse; and
 - (B) coverage of services for treatment of other medical or surgical conditions;within each classification of benefits.

~~(e)~~ **(f)** There may be no separate nonquantitative treatment limitations that apply to coverage of services for treatment of a mental illness or substance abuse that do not apply to coverage of services for treatment of other medical or surgical conditions within any classification of benefits.

~~(f)~~ **(g)** An individual contract or a group contract that provides coverage of services for treatment of a mental illness or substance abuse shall also submit an analysis showing the insurer's compliance with this section and the act to the department not later than December 31 of each year. The analysis must do the following:



- (1) Identify the factors used to determine that a nonquantitative treatment limitation will apply to a benefit, including factors that were considered but rejected.
- (2) Identify and define the specific evidentiary standards used to define the factors and any other evidence relied upon in designing each nonquantitative treatment limitation.
- (3) Provide the comparative analyses, including the results of the analyses, performed to determine the following:
 - (A) That the processes and strategies used to design each nonquantitative treatment limitation for coverage of services for treatment of a mental illness or substance abuse are comparable to, and applied no more stringently than, the processes and strategies used to design each nonquantitative treatment limitation for coverage of services for treatment of other medical or surgical conditions.
 - (B) That the processes and strategies used to apply each nonquantitative treatment limitation for treatment of a mental illness or substance abuse are comparable to, and applied no more stringently than, the processes and strategies used to apply each nonquantitative limitation for treatment of other medical or surgical conditions.
- (4) Provide the information on reimbursement rates described in subsection (h), subsection (i), and subsection (j).**

(h) A health maintenance organization that enters into an individual contract or a group contract that provides coverage of services for treatment of a mental illness or substance abuse shall be deemed in compliance with the act by the department in terms of reimbursement rates in a classification of benefits if reimbursement rates for providers of mental illness or substance abuse services are at least as favorable relative to Medicare rates as reimbursement rates are for providers of medical or surgical services relative to Medicare rates in the respective classification of benefits.

(i) The department shall perform deeper examination of a health maintenance organization that enters into an individual contract or a group contract that provides coverage of services for treatment of a mental illness or substance abuse for possible noncompliance with the act under circumstances in which reimbursement rates for providers of mental illness or substance abuse services in a classification of benefits are at least ten percent lower relative to Medicare rates than reimbursement rates for providers of medical or surgical benefits relative to Medicare rates in the respective classification of benefits.

(j) The Department shall adopt rules for the purposes of determining the value of reimbursement rates relative to Medicare rates, as described in subsection (h) and subsection (i).

(k) If a provider of health care services that provides both medical or surgical services and mental illness or substance abuse services is credentialed with a health maintenance organization for the purposes of providing medical or surgical services, the provider shall be considered automatically credentialed for the purposes of providing mental illness or substance abuse services in instances under which the health maintenance organization provides coverage of mental illness or substance abuse services through a third-party vendor.

~~(g)~~ **(l) The department shall adopt rules to ensure compliance with this section and the applicable provisions of the act.**

