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NEWS RELEASE

Governor Signs Legislation Requiring Extension of Mental Health Benefits

Gov. Christie Whitman today signed legislation that requires health insurers in New Jersey to extend mental health benefits under the same conditions that apply to other illnesses and diseases.

"For too long those who have suffered with serious mental illnesses have not received needed services because treatment of such illnesses was not covered by insurance," the Governor said. "I'm talking about people with illnesses such as schizophrenia, bipolar disorders, major depressive disorders, paranoia, or those who have a pervasive developmental disorder, or autism."

"With this legislation, patients who are being treated for these biologically-based mental illnesses will get the coverage they need," she said. "They will pay the same co-payment or deductible as everyone else. And their policies will have the same benefit limits that apply to other medical or surgical benefits."

"We don't intend to tell insurers how they should determine whether a mental health care service meets the standard of medical necessity. And we don't expect to dictate which providers will be entitled to reimbursement for providing mental illness services under the policy. Those decisions rest with the insurance company," the Governor said.

"But we do intend to see that those who have a biologically-based mental illness get equal health care treatment under the law. And we know that high-quality mental health means a better quality of life. We can't afford -- as a state or a society - to have serious mental illnesses go untreated," Gov. Whitman said.

"Recent incidents of violence across the country demonstrate that mental illness must be treated promptly and effectively, or else we all suffer," she said.

The legislation, S-86, was sponsored by Senators C. Louis Bassano (R-Essex/Union) and Richard J. Codey (D-Essex) and Assembly Members Charlotte Vandervalk (R-Bergen) and Joan M. Quigley (D-Bergen/Hudson). It requires hospital, medical and health service corporations, commercial individual and group health insurers, health maintenance organizations and health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs to provide health benefits coverage for the treatment of biologically-based mental illness under the same terms and conditions as provided for any other sickness.

The bill defines biologically-based mental illness as a mental or nervous condition that is caused by a biological disorder of the brain and results in a clinically

significant or psychological syndrome or pattern that substantially limits the function of the person with the illness, including, but not limited to, specified illness such as schizophrenia, depression, autism, etc.

The legislation clarifies that it should not be read to change the manner in which the insurer determines (1) whether a mental health care service meets the medical necessity standards as established by the insurer or (2) which providers shall be entitled to reimbursement for providing services for mental illness under the policy.

It also provides that an employer who provides health benefits coverage to his or her employees or their dependents for treatment of mental illness shall annually, and upon request of an employee at other times during the year, notify the employees whether the employees' coverage for treatment of mental illness is subject to the requirements of the bill.