



**House
Legislative
Analysis
Section**

Manufacturer's Bank Building, 12th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

SUBSTANCE ABUSE COUNSELING COVERAGE

**House Bills 4714 and 4715 with committee
amendments
First Analysis (2-22-90)**

**Sponsor: Rep. Nelson W. Saunders
Committee: Insurance**

RECEIVED

MAR 06 1990

Mich. State Law Library

H.B. 4714 & 4715 (2-22-90)

THE APPARENT PROBLEM:

People in the field of substance abuse treatment say that it is often critical that the counseling that takes place be family counseling and not just counseling of the individual patient. Sometimes family counseling is needed because the family needs to be involved in the treatment and support of the patient, sometimes because the family environment is contributing to the patient's problems, sometimes because there is a generational cycle of substance abuse that needs to be broken. Some substance abuse specialists say that family involvement typically reduces a patient's length of stay in a program and cuts the rate of relapses in half. In Michigan, health insurers are required to provide coverage for intermediate and outpatient care for substance abuse in all group and individual policies, with certain exceptions. That care must include counseling. Insurance regulators say that there have been instances of third-party payers refusing to cover family counseling as a substance abuse benefit.

THE CONTENT OF THE BILLS:

The bills would specify that the counseling that is automatically included with coverage for "intermediate care" and "outpatient care" for substance abuse include family counseling. House Bill 4714 would amend the Nonprofit Health Care Corporation Reform Act (MCL 550.1414a), which regulates Blue Cross and Blue Shield of Michigan. House Bill 4715 would amend the Insurance Code (MCL 500.3425) and applies to commercial insurers and to health maintenance organizations (HMOs). HMOs are covered by the bill because the Public Health Code adopts by reference the definition of "intermediate care" and "outpatient care" found in the Insurance Code.

FISCAL IMPLICATIONS:

The Insurance Bureau reports that the bills have no budgetary or revenue implications. (2-9-90)

ARGUMENTS:

For:

The bills would make it clear that the counseling covered under substance abuse coverages include family counseling. Reportedly, some insurers have denied benefits for this. Substance abuse specialists say that family counseling is often critical to successful treatment. It can, by reducing length of treatment and the likelihood of relapse, also save money. There is no anticipation that the bills will increase health insurance costs, and it will not affect the dollar amounts of coverage that insurers are expected to provide. (It should be noted that the law that makes substance abuse a mandatory coverage in a health policy says the coverage can be declined by the policyholder if it would increase the cost of the policy by three percent or more.)

POSITIONS:

The Insurance Bureau supports the bill. (2-9-90)

The Office of Substance Abuse Services supports the bill. (2-12-90)