

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original  
POSITION: Oppose

BILL NUMBER: AB 1600  
AUTHOR: J. Beall

**BILL SUMMARY: Health Care Coverage: Mental Health Services**

Under existing law, the Department of Managed Health Care (DMHC) and the Department of Insurance (DOI) are responsible for the licensure and regulation of health care service plans and insurers, respectively. Current law requires health care service plan contracts and health insurance policies to provide coverage for the diagnosis and treatment of severe mental illnesses.

This bill would expand the current mental health coverage requirement for certain health care service plan contracts and health insurance policies to include the diagnosis and treatment of all types of mental illness and substance abuse.

**FISCAL SUMMARY**

The DMHC indicates State Operations costs for the first six months are estimated to be \$134,000, with ongoing costs of approximately \$126,000.

The DOI costs are unknown at this time.

**COMMENTS**

Finance is opposed to this bill for the following reasons:

- AB 244 (Beall, 2009), AB 1887 (Beall, 2008), and AB 423 (Beall, 2007) were nearly identical to this bill and were vetoed by the Governor. In the Governor’s veto messages he stated concern for additional mandates that may serve to significantly increase the overall cost of health care.
- The California Health Benefits Review Board estimates that 92 percent of insured Californians already have coverage for mental illness disorders.
- Mental health coverage is addressed by the recently enacted federal health care reform legislation. It would be premature to enact state legislation addressing mental health coverage when the impact of the federal legislation is not yet clear.

Analyst/Principal (0761) C. Hill	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

**AMENDMENT DATE**

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AB 1600

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code	
	LA	(Dollars in Thousands)									
	CO	PROP									
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012			
2400/MngedHltCare	SO	No	C	\$134	C	\$126	C	\$126		0933	
0845/Insurance	SO	No		----- See Fiscal Summary -----							0217

<u>Fund Code</u>	<u>Title</u>
0217	Insurance Fund
0933	Managed Care Fund