

**WEST VIRGINIA
SECRETARY OF STATE
JOE MANCHIN, III
ADMINISTRATIVE LAW DIVISION**

Form #2

Do Not Mark In This Box

FILED

2003 MAY 28 P 4:08

OFFICE WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE

AGENCY: Insurance Commissioner TITLE NUMBER: 114

RULE TYPE: Procedural CITE AUTHORITY: W. Va. Code §§33-2-10 & 33-16-3a

AMENDMENT TO AN EXISTING RULE: YES _____ NO X

IF YES, SERIES NUMBER OF RULE BEING AMENDED: _____

TITLE OF RULE BEING AMENDED: _____

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: 66

TITLE OF RULE BEING PROPOSED: Mental Health Parity Cost Containment Measures Application and Annual Reporting Requirements

IN LIEU OF A PUBLIC HEARING, A COMMENT PERIOD HAS BEEN ESTABLISHED DURING WHICH ANY INTERESTED PERSON MAY SEND COMMENTS CONCERNING THESE PROPOSED RULES. THIS COMMENT PERIOD WILL END ON June 27, 2003 AT 4:30 PM ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS:

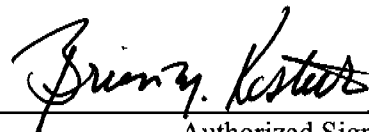
Gara A. Hoke, Associate Counsel

West Virginia Insurance Commission

P.O. Box 50540

Charleston, WV 25305-0540

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THIS PROPOSED RULE.



Authorized Signature

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

Insurance Commissioner
Procedural Rule
Title 114, Series 66

**MENTAL HEALTH PARITY COST CONTAINMENT MEASURES APPLICATION
AND ANNUAL REPORTING REQUIREMENTS**

TITLE 114, SERIES 66

BRIEF SUMMARY OF RULE

House Bill 4039, codified at W. Va. Code 33-16-3a, placed the burden on the Insurance Commissioner to make certain regulatory determinations, therefore necessitating a rule to provide a form for application of cost containment measures for mental health parity compliance and for annual reporting requirements found in Series 64. This rule incorporates that form and will be filed as a procedural rule so that if changes are necessary in the future, the form may be changed with greater ease than if included as part of the Series 64 legislative rule.

Insurance Commissioner
Procedural Rule
Title 114, Series 66

**MENTAL HEALTH PARITY COST CONTAINMENT MEASURES APPLICATION
AND ANNUAL REPORTING REQUIREMENTS**

TITLE 114, SERIES 66

STATEMENT OF CIRCUMSTANCES

In 2002, the West Virginia Legislature passed House Bill 4039, codified at W. Va. Code § 33-16-3a, which placed the burden on the Insurance Commissioner to make certain regulatory determinations, therefore, necessitating promulgation of rules to provide standards and procedures for the implementation of mental health parity. This rule provides a form for application for cost containment measures and for annual reporting requirements. The incorporation of this form into a procedural rule instead of a legislative rule, namely Series 64, thereby ensures greater ease if amendments to the form are found to be necessary in the future.

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Mental Health Parity Cost Containment Measures Application and Annual Reporting Requirements
Title 114, Series 66

Type of Rule: ___ Legislative ___ Interpretive X Procedural

Agency: Insurance Commissioner

Address: Post Office Box 50540
1124 Smith Street, Greenbrooke Building
Charleston, West Virginia 25305-0540

1. Effect of Proposed Rule

	ANNUAL FISCAL YEAR				
	Increase	Decrease	Current	Next	Thereafter
ESTIMATED TOTAL COST	None	None	None	None	None
PERSONAL SERVICES	None	None	None	None	None
CURRENT EXPENSE	None	None	None	None	None
REPAIRS AND ALTERNATIONS	None	None	None	None	None
EQUIPMENT	None	None	None	None	None
OTHER	None	None	None	None	None

2. Explanation of above estimates:

The rule will have no additional fiscal impact upon state government because it is anticipated that the Commissioner can accomplish the review of additional documentation with current staff and resources.

Rule Title: Mental Health Parity Cost Containment Measures Application and Annual Reporting Requirements
Title 114, Series 66

3. Objectives of these rules:

This rule is promulgated to accompany Series 64 and W. Va. Code § 33-16-3a, which placed a regulatory burden upon the Insurance Commissioner to provide standards and procedures for the implementation of mental health parity. It contains the form needed to apply for cost containment measures and for annual reporting requirements.

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

None

B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of Citizens.

None

C. Economic Impact on Citizens/Public at Large.

There is not expected to be any specific economic impact on the public as a result of this rule.

Date: May 28, 2003

Signature of Agency Head or Authorized Representative



Jane L. Cline, Insurance Commissioner

114CSR66

**WEST VIRGINIA PROCEDURAL RULE
INSURANCE COMMISSIONER**

**SERIES 66
MENTAL HEALTH PARITY COST CONTAINMENT MEASURES APPLICATION
AND ANNUAL REPORTING REQUIREMENTS**

Section

114-66-1. General.

114-66-2. Applicability.

Appendix A. Mental Health Parity Cost Containment Measures Application and
Annual Reporting Requirements Abstract

114CSR66

FILED

WEST VIRGINIA PROCEDURAL RULE
INSURANCE COMMISSIONER

2003 MAY 28 P 4: 09

SERIES 66
MENTAL HEALTH PARITY COST CONTAINMENT MEASURES APPLICATION OF STATE
AND ANNUAL REPORTING REQUIREMENTS

OFFICE WEST VIRGINIA
SECRETARION OF STATE

§114-66-1. General.

1.1. Scope. -- This procedural rule sets forth requirements which the Commissioner considers necessary to carry out Rates and Forms Division Reporting Requirements for rate and form filings.

1.2. Authority. -- W. Va. Code §§33-2-10 and 33-16-3a.

1.3. Filing Date. --

1.4. Effective Date. --

§114-66-2. Applicability.

2.1 The abstract form attached to this rule as Appendix A must be completed and filed with the Insurance Commissioner when filing for mental health parity cost containment measures or annual reporting requirements.

**INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA**

**MENTAL HEALTH PARITY COST CONTAINMENT MEASURES APPLICATION
AND ANNUAL REPORTING REQUIREMENTS ABSTRACT**

INSTRUCTIONS: This form is to be completed as the annual report prescribed in WV Regulation 114-64-8.5 and/or when applying for cost containment measures as outlined in WV Regulation 114-64-4. All questions must be answered; if no answer is applicable, enter the reason for such determination.

Company Name: _____

NAIC Code: _____

Part of Group: _____

Date Applied: _____

Proposed Effective Date: _____

I. General Information.

1. Is this the [] initial application or [] annual report?

2. Base Period: From to _____ to _____
(must be 12 consecutive months ending on or about 60 days preceding the next filing of the application)

3. Is there [] 25 members or less [] greater than 25 members?

4. If this is the first application, please provide the total anticipated costs for the first year for treatment of mental illness for any plan that will exceed 2% or 1% for any group with 25 members or less: _____

5. If this is beyond the first year, please provide total costs for each year thereafter for treatment of mental illness for any plan that will exceed 2% or 1% for any group with 25 members or less:

Please provide four years of data (include data prior to implementation of mental health parity):

	<u>Base Period</u>	<u>Total Expenditures Incurred for Mental Health Benefits</u>	<u>Total Expenditures Incurred for all Benefits</u>
a) actual claims incurred			
b) case management expenses			
c) administrative expenses			
d) utilization review paid			
e) capitation paid associated with mental health benefits			

II. If you are applying for Cost Containment, please complete the following:

1. What Cost Containment measures do you plan to implement?
2. What is the anticipated reduction in cost for mental health benefits by implementing these cost containment measures?
3. What is the total anticipated cost of mental health benefits after implementation of cost containment measures for Mental Health Parity?
4. What is the total anticipated cost of all benefits after the implementation of cost containment for Mental Health Parity?

III. This application must be actuarially certified. Please attach the appropriate certification to this form.