



# SENATOR DAVE CORTESE

## *SB 999: Utilization review: mental health and substance use disorders*

### SUMMARY

SB 999 will ensure that Californians suffering from mental health and substance use disorders (SUD) are able to receive the level of treatment necessary to safely recover from addiction. This bill establishes utilization review (UR) criteria for health plans and disability insurers that safeguard patient access to timely review decisions, ensures UR is conducted by a provider with experience in the relevant diagnosis, and reinforces patients' rights to access a health plan's basis for treatment denials.

### ISSUE

Some health plans and disability insurers are not complying with existing law relating to residential SUD placement criteria and treatment. Patients are being arbitrarily denied additional treatment days even though those days are recommended in compliance with accepted standards of treatment. Health plans and disability insurers are using inappropriate UR practices to avoid paying for care.

As a result, insured patients suffering from mental health and SUD are unable to access treatment that they need to fully recover. By applying the appropriate clinical and UR criteria to SUD treatment we can save lives by combating overdose deaths and suicides.

Utilization reviewers are paid by the case, incentivized to deny treatment, and frequently lack the experience necessary to correctly apply the generally accepted standards of care.

### BACKGROUND

According to the California Health Care Foundation Almanac, 2.9 million Californians aged 12 and older had a SUD in 2022. 86% of SUD treatment in California is received in outpatient settings. In 2022, only about 10% of people with a SUD received treatment.<sup>1</sup>

In the past decade, arbitrary denials from peer-to-peer URs have forced patients to consider lower cost, less effective treatment options over the clinical recommendations of their treating provider. Patients may also pay out of pocket with the hope that their denial can be overturned by an Independent Medical Review (IMR). According to the Department of Managed Health Care's annual IMR report, 67.5% of patients received the requested services they needed.<sup>2</sup>

60 Minutes has exposed the practice of health insurance companies discharging patients from residential treatment early and over the objections of qualified physicians who warn that these patients will relapse and possibly die.<sup>3</sup>

### THIS BILL

SB 999 will amend the Health and Safety Code and the Insurance Code to ensure that utilization reviews are made by a provider practicing in the relevant clinical specialty with the same level of education, training, and relevant experience as the provider requesting the authorization.<sup>4</sup>

SB 999 also requires health plans and insurers to maintain telephone hours during California business hours to request authorization for mental health and SUD care. Lastly, SB 999 requires a provider performing utilization reviews to disclose the health plan's basis for denial, including a citation of clinical guidelines reviewed.

### SUPPORT

Steinberg Institute (co-sponsor)  
The Kennedy Forum (co-sponsor)  
Summit Estate Recovery Center (co-sponsor)  
Santa Clara County Office of Education (co-sponsor)

<sup>1</sup> [2022 Edition - Substance Use in California - California Health Care Foundation](#)

<sup>2</sup> [2022 Department of Managed Health Care Annual Report on Independent Medical Reviews](#)

<sup>3</sup> [60-Minutes, "Denied", 2014](#)

<sup>4</sup> Health and Safety Code Section 1374.72(a)(1); Insurance Code Section 10144.5(a)(1)

## FOR MORE INFORMATION

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