

House File 420 - Enrolled

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HOUSE FILE 420

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1 3 AN ACT
1 4 RELATING TO THIRD-PARTY PAYMENT OF HEALTH CARE COVERAGE COSTS
1 5 FOR BIOLOGICALLY BASED MENTAL ILLNESS TREATMENT SERVICES.
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1 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 9 Section 1. NEW SECTION. 514C.22 BIOLOGICALLY BASED
1 10 MENTAL ILLNESS COVERAGE.
1 11 1. Notwithstanding the uniformity of treatment
1 12 requirements of section 514C.6, a group policy, contract, or
1 13 plan providing for third-party payment or prepayment of
1 14 health, medical, and surgical coverage benefits issued by a
1 15 carrier, as defined in section 513B.2, or by an organized
1 16 delivery system authorized under 1993 Iowa Acts, chapter 158,
1 17 shall provide coverage benefits for treatment of a
1 18 biologically based mental illness if either of the following
1 19 is satisfied:
1 20 a. The policy, contract, or plan is issued to an employer
1 21 who on at least fifty percent of the employer's working days
1 22 during the preceding calendar year employed more than fifty
1 23 full-time equivalent employees. In determining the number of
1 24 full-time equivalent employees of an employer, employers who
1 25 are affiliated or who are able to file a consolidated tax
1 26 return for purposes of state taxation shall be considered one
1 27 employer.
1 28 b. The policy, contract, or plan is issued to a small
1 29 employer as defined in section 513B.2, and such policy,
1 30 contract, or plan provides coverage benefits for the treatment
1 31 of mental illness.
1 32 2. Notwithstanding the uniformity of treatment
1 33 requirements of section 514C.6, a plan established pursuant to
1 34 chapter 509A for public employees shall provide coverage
1 35 benefits for treatment of a biologically based mental illness.
2 1 3. For purposes of this section, "biologically based
2 2 mental illness" means the following psychiatric illnesses:
2 3 a. Schizophrenia.
2 4 b. Bipolar disorders.
2 5 c. Major depressive disorders.
2 6 d. Schizo-affective disorders.
2 7 e. Obsessive-compulsive disorders.
2 8 f. Pervasive developmental disorders.
2 9 g. Autistic disorders.
2 10 4. The commissioner, by rule, shall define the
2 11 biologically based mental illnesses identified in subsection
2 12 3. Definitions established by the commissioner shall be
2 13 consistent with definitions provided in the most recent
2 14 edition of the American psychiatric association's diagnostic
2 15 and statistical manual of mental disorders, as such
2 16 definitions may be amended from time to time. The
2 17 commissioner may adopt the definitions provided in such manual
2 18 by reference.
2 19 5. This section shall not apply to accident only,
2 20 specified disease, short-term hospital or medical, hospital
2 21 confinement indemnity, credit, dental, vision, Medicare
2 22 supplement, long-term care, basic hospital and medical=
2 23 surgical expense coverage as defined by the commissioner,
2 24 disability income insurance coverage, coverage issued as a
2 25 supplement to liability insurance, workers' compensation or
2 26 similar insurance, or automobile medical payment insurance, or
2 27 individual accident and sickness policies issued to
2 28 individuals or to individual members of a member association.
2 29 6. A carrier, organized delivery system, or plan
2 30 established pursuant to chapter 509A may manage the benefits
2 31 provided through common methods including, but not limited to,
2 32 providing payment of benefits or providing care and treatment
2 33 under a capitated payment system, prospective reimbursement
2 34 rate system, utilization control system, incentive system for
2 35 the use of least restrictive and least costly levels of care,
3 1 a preferred provider contract limiting choice of specific
3 2 providers, or any other system, method, or organization
3 3 designed to assure services are medically necessary and
3 4 clinically appropriate.
3 5 7. a. A group policy, contract, or plan covered under

3 6 this section shall not impose an aggregate annual or lifetime
3 7 limit on biologically based mental illness coverage benefits
3 8 unless the policy, contract, or plan imposes an aggregate
3 9 annual or lifetime limit on substantially all health, medical,
3 10 and surgical coverage benefits.

3 11 b. A group policy, contract, or plan covered under this
3 12 section that imposes an aggregate annual or lifetime limit on
3 13 substantially all health, medical, and surgical coverage
3 14 benefits shall not impose an aggregate annual or lifetime
3 15 limit on biologically based mental illness coverage benefits
3 16 that is less than the aggregate annual or lifetime limit
3 17 imposed on substantially all health, medical, and surgical
3 18 coverage benefits.

3 19 8. A group policy, contract, or plan covered under this
3 20 section shall at a minimum allow for thirty inpatient days and
3 21 fifty-two outpatient visits annually. The policy, contract,
3 22 or plan may also include deductibles, coinsurance, or
3 23 copayments, provided the amounts and extent of such
3 24 deductibles, coinsurance, or copayments applicable to other
3 25 health, medical, or surgical services coverage under the
3 26 policy, contract, or plan are the same. It is not a violation
3 27 of this section if the policy, contract, or plan excludes
3 28 entirely from coverage benefits for the cost of providing the
3 29 following:

3 30 a. Marital, family, educational, developmental, or
3 31 training services.

3 32 b. Care that is substantially custodial in nature.

3 33 c. Services and supplies that are not medically necessary
3 34 or clinically appropriate.

3 35 d. Experimental treatments.

4 1 9. This section applies to third-party payment provider
4 2 policies or contracts and to plans established pursuant to
4 3 chapter 509A that are delivered, issued for delivery,
4 4 continued, or renewed in this state on or after January 1,
4 5 2006.

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CHRISTOPHER C. RANTS
Speaker of the House

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JOHN P. KIBBIE
President of the Senate

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I hereby certify that this bill originated in the House and
is known as House File 420, Eighty-first General Assembly.

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MARGARET THOMSON
Chief Clerk of the House

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Approved _____, 2005

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THOMAS J. VILSACK

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Governor