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FILED MAR 14 1983

SENATE FILE 414

BY COMMITTEE ON HUMAN RESOURCES
Approved 3/14/83 (p. 74.7)
(FORMERLY SSB 24)

9

Passed Senate, Date 3-23-83 (p. 915) Passed House, Date 3-26-84 (p. 1273)
Vote: Ayes 44 Nays Vote: Ayes 87 Nays 10
Approved April 20, 1984

A BILL FOR

1 An Act relating to insurance coverage for mental health
2 services provided by licensed psychologists.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 414

1 Section 1. NEW SECTION. 514E.1 DEFINITIONS. As used
2 in this chapter unless the context otherwise requires:

3 1. "Policy of accident and sickness insurance" means all
4 of the following:

5 a. The definitions of a "policy of accident and sickness
6 insurance" contained in section 514A.1 and section 514D.2,
7 paragraphs 1 and 3.

8 b. A policy of group accident, sickness, or health insur-
9 ance issued under chapter 509.

10 c. An individual or group subscriber contract for hospital,
11 medical, and surgical service issued under chapter 514.

12 d. A certificate, agreement, or contract issued to an
13 enrollee of a health maintenance organization as defined in
14 chapter 514B.

15 e. A self-funded employee health and welfare plan, an
16 employees' mutual service insurance policy, or any other
17 individual or group health, accident, sickness, or disability
18 policy, contract, or plan which provides benefits for services
19 rendered for the care and treatment of sickness and injury.

20 2. A "licensed psychologist" means a person licensed to
21 practice psychology in the state where the services are
22 provided, and having a doctorate degree in psychology, and
23 having had at least two years of clinical experience in a
24 recognized health setting or having met the standards of a
25 national register of health service providers in psychology.

26 Sec. 2. NEW SECTION. 514E.2 MENTAL HEALTH SERVICES
27 PROVIDED BY LICENSED PSYCHOLOGIST. A policy of accident and
28 sickness insurance which provides coverage for mental health
29 services provided by a licensed physician, doctor of medicine,
30 or other provider shall provide coverage for mental health
31 services provided by a licensed psychologist.

32 Sec. 3. NEW SECTION. 514E.3 APPLICABILITY AND EFFECTIVE
33 DATE.

34 1. This chapter applies to all policies of accident and
35 sickness insurance as defined in this chapter notwithstanding

1 any existing provision of a policy of accident and sickness
2 insurance.

3 2. This chapter applies to individual and group subscriber
4 plans and contracts for hospital, medical, or surgical service.

5 3. This chapter does not require a policy of accident
6 and sickness insurance to include mental health services.

7 4. This chapter takes effect July 1, 1983. This chapter
8 applies to a policy of accident and sickness insurance, subject
9 to the jurisdiction of this state, which is delivered or
10 issued for delivery, renewed, reissued, or modified on or
11 after July 1, 1983, or on its next anniversary, or after the
12 expiration of an applicable collective bargaining agreement,
13 whichever is earlier.

14 EXPLANATION

15 This bill creates a new chapter 514E, defines an accident
16 and sickness insurance policy, and defines a licensed
17 psychologist. The bill also provides that accident and
18 sickness insurance policies which provide coverage for mental
19 health services when provided by licensed physicians, doctors
20 of medicine or other providers shall provide coverage for
21 the same services when provided by a licensed psychologist.
22 The bill takes effect July 1, 1983.

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LSB 556S 70

dd/sc/14

SENATE FILE 414

-3303

1 Amend Senate File 414 as follows:

2 1. By striking everything after the enacting
3 clause and inserting in lieu thereof the following:
4 "Section 1. Section 509.3, Code 1983, is amended
5 by adding the following new subsection:
6 NEW SUBSECTION. A provision shall be available
7 to policyholders, under group policies covering mental
8 health care services or procedures, for payment of
9 necessary mental health services provided by a
10 psychologist licensed under chapter 154B if performed
11 within the scope of the psychologist's license and
12 if the policy would pay for the services if provided
13 by a person engaged in the practice of medicine or
14 surgery. The policy shall also provide that the
15 policyholder may reject the coverage or provision.
16 This requirement applies to group policies delivered
17 or issued for delivery after the effective date of
18 this Act, and to existing group policies on their
19 next anniversary or renewal date, or upon expiration
20 of the applicable collective bargaining contract,
21 if any, whichever is later. This Act does not apply
22 to blanket, short-term travel, accident only, limited
23 or specified disease, or individual or group conversion
24 policies, nor to policies designed only for issuance
25 to persons eligible for coverage under Title XVIII
26 of the Social Security Act, known as Medicare, or
27 other similar coverage under state or federal
28 government plans.

29 Sec. 2. Section 514.5, Code 1983, is amended by
30 adding the following new unnumbered paragraph after
31 unnumbered paragraph 2:

32 NEW UNNUMBERED PARAGRAPH. A provision shall be
33 made available in approved contracts with hospital
34 and medical service corporate subscribers, under group
35 subscriber contracts or plans covering mental health
36 care services or procedures, for payment of necessary
37 mental health services provided by a psychologist
38 licensed under chapter 154B, if performed within the
39 scope of the psychologist's license and if the
40 subscriber contract would pay for the services if
41 provided by a person engaged in the practice of
42 medicine or surgery. The subscriber contract shall
43 also provide that the subscriber may reject the
44 coverage or provision. This requirement applies to
45 group subscriber contracts delivered or issued for
46 delivery after the effective date of this Act, and
47 to existing group subscriber contracts on their
48 anniversary or renewal date, or upon the expiration
49 of the applicable collective bargaining contract,
50 if any, whichever is later. This Act does not apply

1 to contracts designed only for issuance to subscribers
2 eligible for coverage under Title XVIII of the Social
3 Security Act, known as Medicare, or other similar
4 coverage under state or federal government plans.
5 Sec. 3. Section 514B.1, subsection 2, Code 1983,
6 is amended by adding the following new unnumbered
7 paragraph:
8 NEW UNNUMBERED PARAGRAPH. The health care services
9 available to enrollees under prepaid group plans
10 covering mental health care services or procedures,
11 shall include a provision for payment of necessary
12 mental health services provided by a psychologist
13 licensed under chapter 154B, if performed within the
14 scope of the psychologist's license, and if the plan
15 would pay for the services if performed by a person
16 engaged in the practice of medicine or surgery. The
17 plan shall also provide that the plan enrollees may
18 reject the coverage. This requirement applies to
19 services provided under plans made after the effective
20 date of this Act, and to existing group plans on their
21 next anniversary or renewal date, or upon the
22 expiration of the applicable collective bargaining
23 contract, if any, whichever is later. This Act does
24 not apply to enrollees eligible for coverage under
25 Title XVIII of the Social Security Act, known as
26 Medicare, or other similar coverage under state or
27 federal governmental plans."

S-3303 FILED & LOST
MARCH 23, 1983 (p. 915)

BY EDGAR H. HOLDEN

SENATE FILE 414

S-3257

1 Amend Senate File 414 as follows:
2 1. Page 1, by striking lines 20 through 25.
3 2. Page 1, line 31, by inserting after the word
4 "psychologist" the words "eligible for reimbursement
5 under this Act".
6 3. Page 1, by inserting after line 31 the
7 following:
8 "A psychologist eligible for reimbursement under
9 this Act is a person licensed to practice psychology
10 in the state where the services are provided who has
11 a doctorate degree in psychology, and who has at least
12 two years of clinical experience in a recognized
13 health setting or meets the standards of a national
14 register of health service providers in psychology."
15 4. Amend the title, line 2, by inserting after
16 the word "by" the word "certain".

S-3257 FILED
MARCH 18, 1983
Adopted 3/23/83 (p. 915)

BY TOM SLATER

Human Resources: Zimmerman, Chair; Fey, Hammond, Peick, Royer, Torrence and Van Gerpen.

SENATE FILE 414

EE ON HUMAN RESOURCES

Senate File 414

Small Business and Commerce: Jochum, Chair; Halvorson of Clayton and Parker

Amend per 5276 & D. Pass 2/23/84 (p. 577)

(AS AMENDED AND PASSED BY THE SENATE MARCH 23, 1983)

Re Passed Senate, Date 4-3-84 (p. 1272) Passed House, Date 3-26-84 (p. 1273)

Vote: Ayes 45 Nays 0 Vote: Ayes 87 Nays 10

Approved April 20, 1984 (S. 1768)

A BILL FOR

- 1 An Act relating to insurance coverage for mental health
- 2 services provided by certain licensed psychologists.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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_____ = New Language
by the Senate

* = Language Stricken
by the Senate

1 Section 1. NEW SECTION. 514E.1 DEFINITIONS. As used
2 in this chapter unless the context otherwise requires:

3 1. "Policy of accident and sickness insurance" means all
4 of the following:

5 a. The definitions of a "policy of accident and sickness
6 insurance" contained in section 514A.1 and section 514D.2,
7 paragraphs 1 and 3.

8 b. A policy of group accident, sickness, or health insur-
9 ance issued under chapter 509.

10 c. An individual or group subscriber contract for hospital,
11 medical, and surgical service issued under chapter 514.

12 d. A certificate, agreement, or contract issued to an
13 enrollee of a health maintenance organization as defined in
14 chapter 514B.

15 e. A self-funded employee health and welfare plan, an
16 employees' mutual service insurance policy, or any other
17 individual or group health, accident, sickness, or disability
18 policy, contract, or plan which provides benefits for services
19 rendered for the care and treatment of sickness and injury.

* 20 Sec. 2. NEW SECTION. 514E.2 MENTAL HEALTH SERVICES
21 PROVIDED BY LICENSED PSYCHOLOGIST. A policy of accident and
22 sickness insurance which provides coverage for mental health
23 services provided by a licensed physician, doctor of medicine,
24 or other provider shall provide coverage for mental health
25 services provided by a licensed psychologist eligible for
26 reimbursement under this Act.

27 A psychologist eligible for reimbursement under this Act
28 is a person licensed to practice psychology in the state where
29 the services are provided who has a doctorate degree in
30 psychology, and who has at least two years of clinical
31 experience in a recognized health setting or meets the
32 standards of a national register of health service providers
33 in psychology.

34 Sec. 3. NEW SECTION. 514E.3 APPLICABILITY AND EFFECTIVE
35 DATE.

1 1. This chapter applies to all policies of accident and
2 sickness insurance as defined in this chapter notwithstanding
3 any existing provision of a policy of accident and sickness
4 insurance.

5 2. This chapter applies to individual and group subscriber
6 plans and contracts for hospital, medical, or surgical service.

7 3. This chapter does not require a policy of accident
8 and sickness insurance to include mental health services.

9 4. This chapter takes effect July 1, 1983. This chapter
10 applies to a policy of accident and sickness insurance, subject
11 to the jurisdiction of this state, which is delivered or
12 issued for delivery, renewed, reissued, or modified on or
13 after July 1, 1983, or on its next anniversary, or after the
14 expiration of an applicable collective bargaining agreement,
15 whichever is earlier.

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SF 414
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SENATE FILE 414

H-5032

1 Amend Senate File 414 as passed by the Senate as
2 follows:

3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:
5 "Section 1. Section 514.1, Code Supplement 1983,
6 is amended to read as follows:

7 514.1 INSURANCE LAWS EXCLUDED GENERALLY. Any
8 corporation hereafter organized under the provisions
9 of chapter 504 or chapter 504A for the purpose of
10 establishing, maintaining, and operating a nonprofit
11 hospital service plan, whereby hospital service may
12 be provided by the corporation or by a hospital with
13 which it has a contract for service, to the public
14 who become subscribers to this plan under a contract
15 which entitles each subscriber to hospital service,
16 or any corporation organized for the purpose of
17 establishing, maintaining, and operating a plan whereby
18 medical and surgical service may be provided at the
19 expense of this corporation, by duly licensed
20 physicians and surgeons, dentists, podiatrists,
21 osteopathic physicians, or osteopathic physicians
22 and surgeons, to subscribers under contract, entitling
23 each subscriber to medical and surgical service, as
24 provided in the contract or any corporation organized
25 for the purpose of establishing, maintaining, and
26 operating a nonprofit pharmaceutical service plan
27 or optometric service plan, whereby pharmaceutical
28 or optometric service may be provided by this
29 corporation or by a licensed pharmacy with which it
30 has a contract for service, to the public who become
31 subscribers to this plan under a contract which
32 entitles each subscriber to pharmaceutical or
33 optometric service or any corporation organized for
34 the purpose of establishing, maintaining, and operating
35 a nonprofit psychological service plan whereby
36 psychological service may be provided by this
37 corporation to the public who became subscribers to
38 this plan under a contract which entitles each
39 subscriber to psychological services, shall be governed
40 by the provisions of this chapter and shall be exempt
41 from all other provisions of the insurance laws of
42 this state, unless specifically designated herein,
43 not only in governmental relations with the state
44 but for every other purpose, and additions hereafter
45 enacted shall not apply to these corporations unless
46 they be expressly designated therein. For the purposes
47 of this chapter, "subscriber" means an individual
48 who enters into a contract for hospital services,
49 medical or surgical services, dental services, or
50 pharmaceutical or optometric services, or psychological

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1 services with a corporation subject to this chapter
2 and includes any person eligible for medical assistance
3 or additional medical assistance as defined under
4 chapter 249A, with respect to whom the department
5 of human services has entered into a contract with
6 any firm operating under chapter 514. For purposes
7 of this chapter, "provider" is as defined in section
8 514B.1.

9 Sec. 2. Section 514.2, Code 1983, is amended to
10 read as follows:

11 514.2 INCORPORATION. Persons desiring to form
12 a nonprofit hospital service corporation, or a
13 nonprofit medical service corporation, or a nonprofit
14 pharmaceutical or optometric service corporation,
15 or a nonprofit psychological service corporation shall
16 incorporate under the provisions of chapter 504 or
17 chapter 504A, as supplemented and amended herein and
18 any acts amendatory thereof.

19 Sec. 3. Section 514.4, unnumbered paragraph 1,
20 Code Supplement 1983, is amended to read as follows:

21 At least two-thirds of the directors of a hospital
22 service corporation, medical service corporation,
23 dental service corporation, ~~or~~ pharmaceutical or
24 optometric service corporation, or psychological
25 service corporation subject to this chapter shall
26 be at all times subscribers and not more than one-
27 third of the directors shall be providers as provided
28 in this section. The board of directors of each
29 corporation shall consist of at least nine members.

30 Sec. 4. Section 514.5, Code Supplement 1983, is
31 amended by adding the following new unnumbered
32 paragraph:

33 NEW UNNUMBERED PARAGRAPH. Any psychological service
34 corporation organized under the provisions of said
35 chapter may enter into contracts for the rendering
36 of psychological service to any of its subscribers
37 through licensed psychologists.

38 Sec. 5. Section 514.6, Code 1983, is amended to
39 read as follows:

40 514.6 RATES--APPROVAL BY COMMISSIONER. The rates
41 charged by any such corporation to the subscribers
42 for hospital service or for medical and surgical
43 service, or for pharmaceutical or optometric service
44 or for psychological service shall at all times be
45 subject to the approval of the commissioner of
46 insurance.

47 Sec. 6. Section 514.7, unnumbered paragraph 1,
48 Code Supplement 1983, is amended to read as follows:

49 The contracts by any such corporation with the
50 subscribers for hospital service or for medical and

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1 surgical service or for pharmaceutical or optometric
2 service or for psychological service shall at all
3 times be subject to the approval of the commissioner
4 of insurance. The commissioner shall require that
5 participating pharmacies be reimbursed by the
6 pharmaceutical service corporation at rates or prices
7 equal to the rates or prices charged nonsubscribers,
8 unless the commissioner determines otherwise to prevent
9 loss to subscribers.

10 Sec. 7. Section 514.8, Code 1983, is amended to
11 read as follows:

12 514.8 CONTRACTS WITH HOSPITALS --APPROVAL. The
13 contracts by any such corporation with participating
14 hospitals for hospital service or with participating
15 physicians and surgeons, dentists, podiatrists,
16 osteopathic physicians, or osteopathic physicians
17 and surgeons for medical and surgical service, or
18 with participating pharmacies for pharmaceutical
19 service, or with participating optometrists for
20 optometric service, or with participating psychologists
21 for psychological service shall at all times be subject
22 to the approval of the commissioner of insurance.

23 Sec. 8. Section 514.11, Code 1983, is amended
24 to read as follows:

25 514.11 COSTS APPROVED. All acquisition costs
26 in connection with the solicitation of subscribers
27 to such hospital service plan or medical service plan
28 or pharmaceutical or optometric service plan or
29 psychological service plan, and administration costs
30 including salaries paid its officers, if any, shall
31 at all times be subject to the approval of the
32 commissioner of insurance.

33 Sec. 9. Section 514.13, Code 1983, is amended
34 to read as follows:

35 514.13 ARBITRATION OF DISPUTES. Any dispute
36 arising between a corporation organized under said
37 chapter and any hospital with which such corporation
38 has a contract for hospital service, or any physician
39 and surgeon, dentist, podiatrist, osteopathic
40 physician, or osteopathic physician and surgeon with
41 whom any such corporation has a contract for medical
42 and surgical service, or any pharmacy or optometrist
43 with whom any such corporation has a contract for
44 pharmaceutical or optometric service, or any
45 psychologists with whom any such corporation has a
46 contract for psychological service, as provided for
47 herein, may be submitted to the commissioner of
48 insurance for his decision. All decisions and
49 findings of the commissioner of insurance may be
50 judicially reviewed in accordance with the terms of

1 ~~the Iowa administrative procedure Act~~ chapter 17A.
2 Sec. 10. Section 514.16, Code 1983, is amended
3 to read as follows:
4 514.16 GOVERNMENTAL EMPLOYEES INCLUDED. An
5 employee or employees of the state, or of any county,
6 city or of any institution supported in whole or in
7 part by public funds, or any subdivisions thereof,
8 may authorize the deduction from ~~his~~ the employee's
9 or their salary or wages of the amount of ~~his~~ the
10 employee's or their subscription payments to any
11 corporation operating a nonprofit hospital service
12 plan or medical service plan or pharmaceutical or
13 optometric service plan or psychological plan, as
14 provided in this chapter. The governing body of the
15 state, or of the county, city or of any institution
16 supported in whole or in part by public funds, or
17 any subdivisions thereof, may authorize deductions
18 from the salaries or wages of employees subscribing
19 to such nonprofit hospital service plan or medical
20 service plan or pharmaceutical or optometric service
21 plan or psychological plan. The authorization by
22 an employee or employees for deductions from ~~his~~ the
23 employee's or their salaries or wages shall be
24 evidenced by a written request signed by the employee
25 directed to and filed with the treasurer of the state,
26 county, city or of any institution supported in whole
27 or in part by public funds, or any subdivisions
28 thereof, and said treasurer is authorized to draw
29 and deliver checks in favor of the hospital service
30 corporation or medical service corporation or
31 pharmaceutical or optometric service corporation or
32 psychological service corporation stipulated in such
33 authorization for the amount covering the sum total
34 of the deductions authorized. The foregoing provisions
35 are not to be deemed an assignment of salaries or
36 wages.

37 Sec. 11. Section 514D.2, subsection 1, Code 1983,
38 is amended to read as follows:

39 1. "Accident and sickness insurance" means
40 individual accident and sickness insurance within
41 the meaning of section 514A.1. "Accident and sickness
42 insurance" also means individual subscriber contracts
43 for hospital service, or medical and surgical service,
44 or individual pharmaceutical or optometric service,
45 or psychological service issued under chapter 514,
46 and for purposes of this division, corporations issuing
47 contracts under chapter 514 are deemed to be engaged
48 in the business of insurance."

49 Sec. 12. Title page, by striking lines 1 through
50 3 and inserting in lieu thereof the words "An Act

Page Five

1 providing for the establishment of psychological
2 service corporations."

H-5032 FILED JANUARY 25, 1984 BY SCHNEKLOTH of Scott

Placed out of order 3/26 (p. 1272)

SENATE FILE 414

H-5276

1 Amend Senate File 414 as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:

5 "Section 1. Section 154B.6, subsection 1, Code
6 1983, is amended to read as follows:

7 1. ~~A-licensed-psychologist~~ Except as provided

8 in this section, after July 1, 1984 a new applicant

9 ~~for licensure as a psychologist shall possess a~~
10 ~~doctoral degree in psychology or-its-equivalent from~~
11 ~~an institution approved by the board and shall have~~
12 ~~completed at least one year of supervised professional~~
13 ~~experience under the supervision of a licensed~~
14 ~~psychologist or-prior-to-July-1,-1976-any-person~~
15 ~~holding-a-certificate-as-a-psychologist-from-the-board~~
16 ~~of-examiners-of-the-Iowa-psychological-association,~~
17 ~~following-the-granting-of-the-doctoral-degree,-or~~
18 ~~predoctoral-experience,-as-may-be-acceptable-to-the~~
19 ~~board,-or-shall-possess-a-master's-degree-in-psychology~~
20 ~~or-its-equivalent-from-an-institution-approved-by~~
21 ~~the-board-and-have-completed-at-least-five-years-of~~
22 ~~professional-experience,-at-least-two-of-which-shall~~
23 ~~have-been-under-the-supervision-of-a-licensed~~
24 ~~psychologist-or-prior-to-July-1,-1976-any-person~~
25 ~~holding-a-certificate-as-a-psychologist-from-the-board~~
26 ~~of-examiners-of-the-Iowa-psychological-association,~~
27 ~~as-may-be-acceptable-to-the-board.~~

28 Sec. 2. NEW SECTION. 154B.6A HEALTH SERVICE
29 PROVIDER IN PSYCHOLOGY. A certified health service

30 ~~provider-in-psychology means-a-person-licensed to~~
31 ~~practice psychology who has a doctoral degree in~~
32 ~~psychology, or prior to July 1, 1984 was licensed~~
33 ~~at the doctoral level with a degree in psychology~~
34 ~~or its equivalent, and who has at least two years~~
35 ~~of clinical experience in a recognized health service~~
36 ~~setting or meets the standards of a national register~~
37 ~~of health service providers in psychology. A person~~
38 ~~certified as a health service provider in psychology~~
39 ~~shall be deemed qualified to diagnose or evaluate~~
40 ~~and treat mental illness and nervous disorders.~~

41 Sec. 3. Section 514.1, Code Supplement 1983, is
42 amended to read as follows:

43 514.1 INSURANCE LAWS EXCLUDED GENERALLY. Any
44 A corporation hereafter organized under ~~the-provisions~~
45 ~~of~~ chapter 504 or chapter 504A for the purpose of
46 establishing, maintaining, and operating a nonprofit
47 hospital service plan, whereby hospital service may
48 be provided by the corporation or by a hospital with
49 which it has a contract for service, to the public
50 who become subscribers to this plan under a contract

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Page Two

1 which entitles each subscriber to hospital service,
2 or ~~any~~ a corporation organized for the purpose of
3 establishing, maintaining, and operating a plan whereby
4 medical and surgical service may be provided at the
5 expense of this corporation, by duly licensed
6 physicians and surgeons, dentists, podiatrists,
7 osteopathic physicians, or osteopathic physicians
8 and surgeons, to subscribers under contract, entitling
9 each subscriber to medical and surgical service, as
10 provided in the contract or any corporation organized
11 for the purpose of establishing, maintaining, and
12 operating a nonprofit pharmaceutical service plan
13 or optometric service plan, whereby pharmaceutical
14 or optometric service may be provided by this
15 corporation or by a licensed pharmacy with which it
16 has a contract for service, to the public who become
17 subscribers to this plan under a contract which
18 entitles each subscriber to pharmaceutical or
19 optometric service, shall be governed by ~~the provisions~~
20 ~~of this chapter and shall be~~ is exempt from all other
21 provisions of the insurance laws of this state, unless
22 specifically designated herein, not only in
23 governmental relations with the state but for every
24 other purpose, and additions hereafter enacted shall
25 not apply to these corporations unless they be
26 expressly designated therein. For the purposes of
27 this chapter, "subscriber" means an individual who
28 enters into a contract for ~~hospital services, medical~~
29 ~~or surgical services, dental services, or~~
30 ~~pharmaceutical or optometric~~ health care services
31 with a corporation subject to this chapter and includes
32 any person eligible for medical assistance or
33 additional medical assistance as defined under chapter
34 249A, with respect to whom the department of human
35 services has entered into a contract with any firm
36 operating under chapter 514. For purposes of this
37 chapter, "provider" ~~is as defined in section 514B.1~~
38 shall mean a person as defined in section 4.1,
39 subsection 13, which is licensed or otherwise
40 authorized in this state to furnish health care
41 services. "Health care" shall mean that care necessary
42 for the purpose of preventing, alleviating, curing,
43 or healing human physical or mental illness, injury,
44 or disability.

45 Sec. 4. Section 514.5, Code Supplement 1983, is
46 amended by adding the following new unnumbered
47 paragraph:

48 NEW UNNUMBERED PARAGRAPH. A hospital service
49 corporation or medical service corporation organized
50 under this chapter may enter into contracts with

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1 subscribers and providers to furnish health care
2 services not otherwise allocated by this section.

3 Sec. 5. Section 514.6, Code 1983, is amended to
4 read as follows:

5 514.6 RATES--APPROVAL BY COMMISSIONER. The rates
6 charged by any such corporation to the subscribers
7 for ~~hospital health care service or for medical and~~
8 ~~surgical service, or for pharmaceutical or optometric~~
9 service shall at all times be subject to the approval
10 of the commissioner of insurance.

11 Sec. 6. Section 514.7, unnumbered paragraph 1,
12 Code Supplement 1983, is amended to read as follows:

13 The contracts by any such corporation with the
14 subscribers for ~~hospital health care service or for~~
15 ~~medical and surgical service or for pharmaceutical~~
16 ~~or optometric service~~ shall at all times be subject
17 to the approval of the commissioner of insurance.
18 The commission shall require that participating
19 pharmacies be reimbursed by the pharmaceutical service
20 corporatin at rates or prices equal to rates or prices
21 charged nonsubscribers, unless the commissioner
22 determines otherwise to prevent loss to subscribers.

23 Sec. 7. Section 514.8, Code 1983, is amended to
24 read as follows:

25 514.8 CONTRACTS WITH ~~HOSPITALS PROVIDERS~~--APPROVAL.
26 The contracts by any such corporation with
27 participating hospitals for hospital service or with
28 participating physicians and surgeons, dentists,
29 podiatrists, osteopathic physicians, ~~or osteopathic~~
30 physicians and surgeons for medical and surgical
31 service, or with participating pharmacies for
32 pharmaceutical service, or with participating
33 optometrists for optometric service, ~~or with other~~
34 ~~providers~~ shall at all times be subject to the approval
35 of the commissioner of insurance.

36 Sec. 8. Section 514.13, Code 1983, is amended
37 to read as follows:

38 514.13 ARBITRATION OF DISPUTES. Any dispute
39 arising between a corporation organized under said
40 ~~this chapter and any hospital with which such~~
41 ~~corporation has a contract for hospital service, or~~
42 ~~any physician and surgeon, dentist, podiatrist,~~
43 ~~osteopathic physician, or osteopathic physician and~~
44 ~~surgeon with whom any such corporation has a contract~~
45 ~~for medical and surgical service or any pharmacy or~~
46 ~~optometrist with whom any such corporation has a~~
47 ~~contract for pharmaceutical or optometric service,~~
48 ~~as provided for herein,~~ a provider may be submitted
49 to the commissioner of insurance for his a decision.
50 All decisions and findings of the commissioner of

PAGE SIXTEEN, FEBRUARY 27, 1984
HOUSE CLIP SHEET

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Page Four

1 insurance may be judicially reviewed in accordance
2 with the terms of ~~the Iowa administrative procedure~~
3 ~~Act~~ chapter 17A."

4 2. Title page, by striking lines 1 and 2 and
5 inserting in lieu thereof the following: "An Act
6 relating to the licensing of a health service provider
7 in psychology and the ability of a nonprofit medical
8 service plan to contract with certain health care
9 providers."

H-5276 FILED FEB. 24, 1984

BY COMMITTEE ON SMALL
BUSINESS AND COMMERCE

*Adopted & amended by 5525
5711/5731 2/26 (p. 1272)*

SENATE FILE 414

H-3574

1 Amend Senate File 414 as amended, passed, and
2 reprinted by the Senate, as follows:

- 3 1. Page 1, by striking lines 12 through 14.
4 2. By renumbering as necessary.

H-3574 FILED APRIL 8, 1983

BY COMMITTEE ON HUMAN RESOURCES

Placed out of order 2/26/84 (p. 1272)

SENATE FILE 414

H-5357

1 Amend H-5276 to Senate File 414 as amended, passed,
2 and reprinted by the Senate, as follows:

- 3 1. Page 1, line 8, by striking the figure "1984"
4 and inserting in lieu thereof the figure "1985".
5 2. Page 1, line 40, by striking the words "and
6 treat".
7 3. Page 1, line 40, by inserting after the word
8 "disorders" the following: ", and to treat mental
9 illnesses and nervous disorders which are established
10 as primarily of biological etiology with the exception
11 of the treatment of the psychological and behavioral
12 aspects of those mental illnesses and nervous
13 disorders".

BY CHIDO of Polk
JOCHUM of Dubuque

H-5357 FILED MARCH 1, 1984

4/20 2/26 (p. 1271)

SENATE FILE 414

5821

Amend amendment H-5276 to Senate File 414 as amended, passed, and reprinted by the Senate, as follows:

1. Page 1, by inserting before line 5, the following:

"Section 1. Section 154B.1, Code 1983, is amended to read as follows:

154B.1 ~~DEFINITION~~ DEFINITIONS.

1. "Practice of doctoral level psychology" means the application of established principles of learning, motivation, perception, thinking, and emotional relations to problems of behavior adjustment, group relations, and behavior modification, by persons trained in psychology for compensation or other personal gain. The application of principles includes, but is not limited to: Counseling and the use of psychological remedial measures with persons, in groups or individually, with adjustment or emotional problems in the areas of work, family, school and personal relationships; measuring and testing personality, intelligence, aptitudes, public opinion, attitudes, and skills; and the teaching of such subject matter, and the conducting of research on the problems relating to human behavior; and the treatment of mental illnesses and nervous disorders, excluding those mental illnesses and nervous disorders which are established as primarily of biological etiology with the exception of the treatment of the psychological and behavioral aspects of those mental illnesses and nervous disorders. The practice of doctoral level psychology shall include certification as a health service provider and the practitioner shall be eligible to receive reimbursement under chapter 514.

2. "Practice of master level psychology" means the application of established principles of learning, motivation, perception, thinking and emotional relations to problems of behavior adjustment, group relations, and behavior modification, by persons trained in psychology for compensation or other personal gain. The application of principles includes, but is not limited to: Counseling and the use of psychological remedial measures with persons, in groups or individually, with adjustment or emotional problems in the areas of work, family, school and personal relationships; measuring and testing personality, intelligence, aptitudes, public opinion, attitudes, and skills; the teaching of such subject matter, and the conducting of research on the problems relating to human behavior. The practice of master

1 level psychology does not include certification as
2 a health service provider and the practitioner shall
3 not be eligible to receive reimbursement under chapter
4 514.

5 3. "Practice of psychology" means the practice
6 of doctoral level psychology or the practice of master
7 level psychology."

8 2. Page 1, line 9, by inserting after the words
9 "as a" the words "doctoral level".

10 3. Page 1, line 27, by inserting after the word
11 "board" the words "and a new applicant for licensure
12 as a master level psychologist shall possess a master's
13 degree in psychology or its equivalent from an
14 institution approved by the board and shall have
15 completed at least five years of professional
16 experience, at least two of which shall have been
17 under the supervision of a licensed psychologist".

18 4. Page 2, line 41, by inserting after the word
19 "services" the words ", except a person in the practice
20 of master level psychology as defined in section
21 154B.1, subsection 2".

SENATE FILE 414

H-5522

1 Amend H-5276 to Senate File 414 as amended, passed,
2 and reprinted by the Senate, as follows:

3 1. Page 1, line 8, by striking the figure "1984"
4 and inserting in lieu thereof the figure "1985".

5 2. Page 1, line 40, by striking the words "and
6 treat".

7 3. Page 1, line 40, by inserting after the word
8 "disorders" the following: ", and to treat mental
9 illnesses and nervous disorders, excluding those
10 mental illnesses and nervous disorders which are
11 established as primarily of biological etiology with
12 the exception of the treatment of the psychological
13 and behavioral aspects of those mental illnesses and
14 nervous disorders".

H-5522 FILED MARCH 8, 1984 BY JOCHUM of Dubuque

Adopted 2/26 (p. 1212)

SENATE FILE 414

H-5731

1 Amend amendment H-5276 to Senate File 414 as
2 amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 4, by striking lines 6 through 9 and
5 inserting in lieu thereof the following: "relating
6 to health service and health care providers by pro-
7 viding for the licensing of a health service provider
8 in psychology and the ability of a nonprofit medical
9 service plan to contract with certain health care
10 providers."

H-5731 FILED MARCH 16, 1984 BY JOCHUM of Dubuque

Adopted 2/26 (p. 1212)

SENATE FILE 414

H-5710

- 1 Amend Amendment H-5276 to Senate File 414, as amend-
2 ed, passed, and reprinted by the Senate, as follows:
3 1. Page 1, by striking lines 5 through 27.

H-5710 FILED MARCH 15, 1984 BY HANSON of Delaware

Loss 3/26 (p. 127)

SENATE FILE 414

H-5711

- 1 Amend the Committee on Small Business and Commerce
2 amendment H-5276 to Senate File 414, as amended,
3 passed, and reprinted by the Senate, as follows:
4 1. Page 1, line 34, by inserting after the word
5 "equivalent" the following: ", or was prior to January
6 1, 1984 licensed as a psychologist in this state and
7 prior to January 1, 1985 receives a doctoral degree
8 equivalent to a doctoral degree in psychology".

BY JOCHUM of Dubuque

H-5711 FILED MARCH 15, 1984 CHIODO of Polk

Adopted 3/26 (p. 127)

SENATE FILE 414

H-5719

- 1 Amend amendment H-5276 to Senate File 414 as
2 amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 1, line 9, by inserting after the words
5 "as a" the words "doctoral level".
6 2. Page 1, line 27, by inserting after the word
7 "board" the words "and a new applicant for licensure
8 as a master level psychologist shall possess a master's
9 degree in psychology or its equivalent from an
10 institution approved by the board and shall have
11 completed at least five years of professional
12 experience, at least two of which shall have been
13 under the supervision of a licensed psychologist".

H-5719 FILED MARCH 15, 1984 BY HANSON of Delaware

H/D 3/26 (p. 127)

HOUSE AMENDMENT TO SENATE FILE 414

5586

1 Amend Senate File 414 as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. By striking everything after the enacting
4 clause and inserting in lieu thereof the following:

5 "Section 1. Section 154B.6, subsection 1, Code
6 1983, is amended to read as follows:

7 1. ~~A-licensed-psychologist Except as provided~~
8 ~~in this section, after July 1, 1985 a new applicant~~
9 ~~for licensure as a psychologist shall possess a~~
10 ~~doctoral degree in psychology or-its-equivalent from~~
11 ~~an institution approved by the board and shall have~~
12 ~~completed at least one year of supervised professional~~
13 ~~experience under the supervision of a licensed~~
14 ~~psychologist or-prior-to-July-1,-1976-any-person~~
15 ~~holding-a-certificate-as-a-psychologist-from-the-board~~
16 ~~of-examiners-of-the-Iowa-psychological-association,~~
17 ~~following-the-granting-of-the-doctoral-degree,-or~~
18 ~~predoctoral-experience,-as-may-be-acceptable-to-the~~
19 ~~board,-or-shall-possess-a-master's-degree-in-psychology~~
20 ~~or-its-equivalent-from-an-institution-approved-by~~
21 ~~the-board-and-have-completed-at-least-five-years-of~~
22 ~~professional-experience,-at-least-two-of-which-shall~~
23 ~~have-been-under-the-supervision-of-a-licensed~~
24 ~~psychologist-or-prior-to-July-1,-1976-any-person~~
25 ~~holding-a-certificate-as-a-psychologist-from-the-board~~
26 ~~of-examiners-of-the-Iowa-psychological-association,~~
27 ~~as-may-be-acceptable-to-the-board.~~

28 Sec. 2. NEW SECTION. 154B.6A HEALTH SERVICE
29 PROVIDER IN PSYCHOLOGY. A certified health service
30 provider in psychology means a person licensed to
31 practice psychology who has a doctoral degree in
32 psychology, or prior to July 1, 1984 was licensed
33 at the doctoral level with a degree in psychology
34 or its equivalent, or was prior to January 1, 1984
35 licensed as a psychologist in this state and prior
36 to January 1, 1985 receives a doctoral degree
37 equivalent to a doctoral degree in psychology, and
38 who has at least two years of clinical experience
39 in a recognized health service setting or meets the
40 standards of a national register of health service
41 providers in psychology. A person certified as a
42 health service provider in psychology shall be deemed
43 qualified to diagnose or evaluate mental illness and
44 nervous disorders, and to treat mental illnesses and
45 nervous disorders, excluding those mental illnesses
46 and nervous disorders which are established as
47 primarily of biological etiology with the exception
48 of the treatment of the psychological and behavioral
49 aspects of those mental illnesses and nervous
50 disorders.

1 Sec. 3. Section 514.1, Code Supplement 1983, is
2 amended to read as follows:
3 514.1 INSURANCE LAWS EXCLUDED GENERALLY. Any
4 A corporation hereafter organized under ~~the provisions~~
5 ~~of~~ chapter 504 or chapter 504A for the purpose of
6 establishing, maintaining, and operating a nonprofit
7 hospital service plan, whereby hospital service may
8 be provided by the corporation or by a hospital with
9 which it has a contract for service, to the public
10 who become subscribers to this plan under a contract
11 which entitles each subscriber to hospital service,
12 or ~~any~~ a corporation organized for the purpose of
13 establishing, maintaining, and operating a plan whereby
14 medical and surgical service may be provided at the
15 expense of this corporation, by duly licensed
16 physicians and surgeons, dentists, podiatrists,
17 osteopathic physicians, or osteopathic physicians
18 and surgeons, to subscribers under contract, entitling
19 each subscriber to medical and surgical service, as
20 provided in the contract or any corporation organized
21 for the purpose of establishing, maintaining, and
22 operating a nonprofit pharmaceutical service plan
23 or optometric service plan, whereby pharmaceutical
24 or optometric service may be provided by this
25 corporation or by a licensed pharmacy with which it
26 has a contract for service, to the public who become
27 subscribers to this plan under a contract which
28 entitles each subscriber to pharmaceutical or
29 optometric service, shall be governed by ~~the provisions~~
30 ~~of this chapter and shall be~~ is exempt from all other
31 provisions of the insurance laws of this state, unless
32 specifically designated herein, not only in
33 governmental relations with the state but for every
34 other purpose, and additions hereafter enacted shall
35 not apply to these corporations unless they be
36 expressly designated therein. For the purposes of
37 this chapter, "subscriber" means an individual who
38 enters into a contract for ~~hospital services, medical~~
39 ~~or surgical services, dental services, or~~
40 ~~pharmaceutical or optometric~~ health care services
41 with a corporation subject to this chapter and includes
42 any person eligible for medical assistance or
43 additional medical assistance as defined under chapter
44 249A, with respect to whom the department of human
45 services has entered into a contract with any firm
46 operating under chapter 514. For purposes of this
47 chapter, "provider" ~~is as defined in section 514B-1~~
48 shall mean a person as defined in section 4.1,
49 subsection 13, which is licensed or otherwise
50 authorized in this state to furnish health care

1 services. "Health care" shall mean that care necessary
2 for the purpose of preventing, alleviating, curing,
3 or healing human physical or mental illness, injury,
4 or disability.

5 Sec. 4. Section 514.5, Code Supplement 1983, is
6 amended by adding the following new unnumbered
7 paragraph:

8 NEW UNNUMBERED PARAGRAPH. A hospital service
9 corporation or medical service corporation organized
10 under this chapter may enter into contracts with
11 subscribers and providers to furnish health care
12 services not otherwise allocated by this section.

13 Sec. 5. Section 514.6, Code 1983, is amended to
14 read as follows:

15 514.6 RATES--APPROVAL BY COMMISSIONER. The rates
16 charged by any such corporation to the subscribers
17 for ~~hospital health care service or-for-medical-and~~
18 ~~surgical-service,-or-for-pharmaceutical-or-optometric~~
19 ~~service~~ shall at all times be subject to the approval
20 of the commissioner of insurance.

21 Sec. 6. Section 514.7, unnumbered paragraph 1,
22 Code Supplement 1983, is amended to read as follows:

23 The contracts by any such corporation with the
24 subscribers for ~~hospital health care service or-for~~
25 ~~medical-and-surgical-service-or-for-pharmaceutical~~
26 ~~or-optometric-service~~ shall at all times be subject
27 to the approval of the commissioner of insurance.
28 The commission shall require that participating
29 pharmacies be reimbursed by the pharmaceutical service
30 corporation at rates or prices equal to rates or
31 prices charged nonsubscribers, unless the commissioner
32 determines otherwise to prevent loss to subscribers.

33 Sec. 7. Section 514.8, Code 1983, is amended to
34 read as follows:

35 514.8 CONTRACTS WITH HOSPITALS PROVIDERS--APPROVAL.
36 The contracts by any such corporation with
37 participating hospitals for hospital service or with
38 participating physicians and surgeons, dentists,
39 podiatrists, osteopathic physicians, or osteopathic
40 physicians and surgeons for medical and surgical
41 service, or with participating pharmacies for
42 pharmaceutical service, or with participating
43 optometrists for optometric service, or with other
44 providers shall at all times be subject to the approval
45 of the commissioner of insurance.

46 Sec. 8. Section 514.13, Code 1983, is amended
47 to read as follows:

48 514.13 ARBITRATION OF DISPUTES. Any dispute
49 arising between a corporation organized under said
50 this chapter and any-hospital-with-which-such

SENATE 15
MARCH 29, 1984

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1 corporation-has-a-contract-for-hospital-service, or
2 any-physician-and-surgeon, dentist, podiatrist,
3 osteopathic-physician, or osteopathic-physician-and
4 surgeon-with-whom-any-such-corporation-has-a-contract
5 for-medical-and-surgical-service-or-any-pharmacy-or
6 optometrist-with-whom-any-such-corporation-has-a
7 contract-for-pharmaceutical-or-optometric-service,
8 as-provided-for-herein, a provider may be submitted
9 to the commissioner of insurance for his a decision.
10 All decisions and findings of the commissioner of
11 insurance may be judicially reviewed in accordance
12 with the terms of the Iowa-administrative-procedure
13 Act chapter 17A."

14 2. Title page, by striking lines 1 and 2 and
15 inserting in lieu thereof the following: "An Act
16 relating to health service and health care providers
17 by providing for the licensing of a health service
18 provider in psychology and the ability of a nonprofit
19 medical service plan to contract with certain health
20 care providers."

S-5586 FILED
MARCH 28, 1984

RECEIVED FROM THE HOUSE

Senate concurred 4/3/84 (p. 1272)

S-5743

1 Amend House amendment S-5586 to Senate File 414
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. By striking page 1, line 1, through page 4,
5 line 20, and inserting in lieu thereof the following:

6 "Amend Senate File 414 as amended, passed, and
7 reprinted by the Senate, as follows:

8 1. By striking everything after the enacting
9 clause and inserting in lieu thereof the following:

10 "Section 1. Section 154B.6, subsection 1, Code
11 1983, is amended to read as follows:

12 1. ~~A-licensed-psychologist Except as provided~~
13 ~~in this section, after July 1, 1985 a new applicant~~
14 ~~for licensure as a psychologist shall possess a~~
15 ~~doctoral degree in psychology or its equivalent from~~
16 ~~an institution approved by the board and shall have~~
17 ~~completed at least one year of supervised professional~~
18 ~~experience under the supervision of a licensed~~
19 ~~psychologist or prior to July 1, 1976 any person~~
20 ~~holding a certificate as a psychologist from the board~~
21 ~~of examiners of the Iowa psychological association,~~
22 ~~following the granting of the doctoral degree, or~~
23 ~~predoctoral experience, as may be acceptable to the~~
24 ~~board, or shall possess a master's degree in psychology~~
25 ~~or its equivalent from an institution approved by~~
26 ~~the board and have completed at least five years of~~
27 ~~professional experience, at least two of which shall~~
28 ~~have been under the supervision of a licensed~~
29 ~~psychologist or prior to July 1, 1976 any person~~
30 ~~holding a certificate as a psychologist from the board~~
31 ~~of examiners of the Iowa psychological association,~~
32 ~~as may be acceptable to the board.~~

33 Sec. 2. NEW SECTION. 154B.6A HEALTH SERVICE
34 PROVIDER IN PSYCHOLOGY. A certified health service
35 provider in psychology means a person licensed to
36 practice psychology who has a doctoral degree in
37 psychology, or prior to July 1, 1984 was licensed
38 at the doctoral level with a degree in psychology
39 or its equivalent, or was prior to January 1, 1984
40 licensed as a psychologist in this state and prior
41 to January 1, 1985 receives a doctoral degree
42 equivalent to a doctoral degree in psychology, and
43 who has at least two years of clinical experience
44 in a recognized health service setting or meets the
45 standards of a national register of health service
46 providers in psychology. A person certified as a
47 health service provider in psychology shall be deemed
48 qualified to diagnose or evaluate mental illness and
49 nervous disorders, and to treat mental illnesses and
50 nervous disorders, excluding those mental illnesses

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1 and nervous disorders which are established as
2 primarily of biological etiology with the exception
3 of the treatment of the psychological and behavioral
4 aspects of those mental illnesses and nervous
5 disorders.
6 Sec. 3. Section 514.1, Code Supplement 1983, is
7 amended to read as follows:
8 514.1 INSURANCE LAWS EXCLUDED GENERALLY. Any
9 A corporation hereafter organized under the provisions
10 of chapter 504 or chapter 504A for the purpose of
11 establishing, maintaining, and operating a nonprofit
12 hospital service plan, whereby hospital service may
13 be provided by the corporation or by a hospital with
14 which it has a contract for service, to the public
15 who become subscribers to this plan under a contract
16 which entitles each subscriber to hospital service,
17 or any a corporation organized for the purpose of
18 establishing, maintaining, and operating a plan whereby
19 medical and surgical service may be provided at the
20 expense of this corporation, by duly licensed
21 chiropractors, physicians and surgeons, dentists,
22 podiatrists, osteopathic physicians, or osteopathic
23 physicians and surgeons, to subscribers under contract,
24 entitling each subscriber to medical and surgical
25 service, as provided in the contract or any corporation
26 organized for the purpose of establishing, maintaining,
27 and operating a nonprofit pharmaceutical service plan
28 or optometric service plan, whereby pharmaceutical
29 or optometric service may be provided by this
30 corporation or by a licensed pharmacy with which it
31 has a contract for service, to the public who become
32 subscribers to this plan under a contract which
33 entitles each subscriber to pharmaceutical or
34 optometric service, shall be governed by the provisions
35 of this chapter and shall be is exempt from all other
36 provisions of the insurance laws of this state, unless
37 specifically designated herein, not only in
38 governmental relations with the state but for every
39 other purpose, and additions hereafter enacted shall
40 not apply to these corporations unless they be
41 expressly designated therein. For the purposes of
42 this chapter, "subscriber" means an individual who
43 enters into a contract for hospital-services, medical
44 or surgical-services, dental-services, or
45 pharmaceutical-or-optometric health care services
46 with a corporation subject to this chapter and includes
47 any person eligible for medical assistance or
48 additional medical assistance as defined under chapter
49 249A, with respect to whom the department of human
50 services has entered into a contract with any firm

APRIL 4, 1984

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1 operating under chapter 514. For purposes of this
2 chapter, "provider" ~~is-as-defined-in-section-514B-1~~
3 shall mean a person as defined in section 4.1,
4 subsection 13, which is licensed or otherwise
5 authorized in this state to furnish health care
6 services. "Health care services" shall mean services
7 included in the furnishing to any individual of medical
8 or dental care, or hospitalization, or incident to
9 the furnishing of such care or hospitalization as
10 well as the furnishing to any person of all other
11 services for the purpose of preventing, alleviating,
12 curing, or healing human physical or mental illness,
13 injury, or disability. Health care services shall
14 also include services which a person might reasonably
15 require in order to be maintained in good health,
16 including as a minimum, emergency care, inpatient
17 hospital and physician care, and outpatient medical
18 services rendered within or outside of a hospital.

19 Sec. 4. Section 514.5, unnumbered paragraph 2,
20 Code Supplement 1983, is amended to read as follows:

21 Any A medical service corporation organized under
22 ~~the-provisions-of~~ this chapter may enter into contracts
23 with subscribers to furnish medical and surgical
24 service through physicians and surgeons, dentists,
25 podiatrists, osteopathic physicians, or osteopathic
26 physicians and surgeons, and chiropractors.

27 Sec. 5. Section 514.5, Code Supplement 1983, is
28 amended by adding the following new unnumbered
29 paragraph:

30 NEW UNNUMBERED PARAGRAPH. A hospital service
31 corporation or medical service corporation organized
32 under this chapter may enter into contracts with
33 subscribers and providers to furnish health care
34 services not otherwise allocated by this section.

35 Sec. 6. Section 514.6, Code 1983, is amended to
36 read as follows:

37 514.6 RATES--APPROVAL BY COMMISSIONER. The rates
38 charged by any such corporation to the subscribers
39 for ~~hospital health care service or-for-medical-and~~
40 ~~surgical-service-or-for-pharmaceutical-or-optometric~~
41 ~~service~~ shall at all times be subject to the approval
42 of the commissioner of insurance.

43 Sec. 7. Section 514.7, unnumbered paragraph 1,
44 Code Supplement 1983, is amended to read as follows:

45 The contracts by any such corporation with the
46 subscribers for ~~hospital health care service or-for~~
47 ~~medical-and-surgical-service-or-for-pharmaceutical~~
48 ~~or-optometric-service~~ shall at all times be subject
49 to the approval of the commissioner of insurance.
50 The commission shall require that participating

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1 pharmacies be reimbursed by the pharmaceutical service
2 corporation at rates or prices equal to rates or
3 prices charged nonsubscribers, unless the commissioner
4 determines otherwise to prevent loss to subscribers.

5 Sec. 8. Section 514.8, Code 1983, is amended to
6 read as follows:

7 514.8 CONTRACTS WITH HOSPITALS PROVIDERS--APPROVAL.

8 The contracts by any such corporation with
9 participating hospitals for hospital service or with
10 participating physicians and surgeons, dentists,
11 podiatrists, osteopathic physicians, or osteopathic
12 physicians and surgeons for medical and surgical
13 service, or with participating pharmacies for
14 pharmaceutical service, or with participating
15 optometrists for optometric service, or with other
16 providers shall at all times be subject to the approval
17 of the commissioner of insurance.

18 Sec. 9. Section 514.13, Code 1983, is amended
19 to read as follows:

20 514.13 ARBITRATION OF DISPUTES. Any dispute
21 arising between a corporation organized under said
22 ~~this chapter and any hospital with which such~~
23 ~~corporation has a contract for hospital service, or~~
24 ~~any physician and surgeon, dentist, podiatrist,~~
25 ~~osteopathic physician, or osteopathic physician and~~
26 ~~surgeon with whom any such corporation has a contract~~
27 ~~for medical and surgical service or any pharmacy or~~
28 ~~optometrist with whom any such corporation has a~~
29 ~~contract for pharmaceutical or optometric service,~~
30 ~~as provided for herein,~~ a provider may be submitted
31 to the commissioner of insurance for his a decision.
32 All decisions and findings of the commissioner of
33 insurance may be judicially reviewed in accordance
34 with the terms of the ~~Iowa administrative procedure~~
35 ~~Act chapter 17A.~~

36 Sec. 10. NEW SECTION. 514.20 PROHIBITION--UNFAIR
37 DISCRIMINATION IN PAYMENT OR REIMBURSEMENT TO PROVIDERS
38 OF HEALTH CARE SERVICE. A corporation organized under
39 this chapter, or a policy issued to an individual
40 or group in accordance with this chapter and which
41 provides for reimbursement or payment for a health
42 care service or treatment of a condition provided
43 within the lawful scope of practice of a physician
44 as defined in section 135.1, shall not discriminate
45 against a physician by denying payment or reimbursement
46 when the health care service or treatment of the
47 condition is provided by a physician acting within
48 the lawful scope of the physician's license. Language
49 in a policy or a payment or reimbursement practice
50 which discriminates against a method of lawful practice

1 or a physician as defined in section 135.1 is void.
2 Policy language shall not indirectly exclude payment
3 for a lawful practice or treatment of a condition
4 if payment can not be denied directly."
5 2. Title page, by striking lines 1 and 2 and
6 inserting in lieu thereof the following: "An Act
7 relating to health service and health care providers
8 by providing for the licensing of a health service
9 provider in psychology and the ability of a nonprofit
10 medical service plan to contract with certain health
11 care providers."

S-5743 FILED

APRIL 3, 1984

RULED OUT OF ORDER (p. 1271)

BY DONALD DOYLE

TOM MANN JR.

JIM GALLAGHER

CHARLES MILLER

SENATE FILE 414

AN ACT

RELATING TO HEALTH SERVICE AND HEALTH CARE PROVIDERS BY PROVIDING FOR THE LICENSING OF A HEALTH SERVICE PROVIDER IN PSYCHOLOGY AND THE ABILITY OF A NONPROFIT MEDICAL SERVICE PLAN TO CONTRACT WITH CERTAIN HEALTH CARE PROVIDERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 154B.6, subsection 1, Code 1983, is amended to read as follows:

1. ~~A licensed psychologist~~ Except as provided in this section, after July 1, 1985, a new applicant for licensure as a psychologist shall possess a doctoral degree in psychology ~~or its equivalent~~ from an institution approved by the board and shall have completed at least one year of supervised professional experience under the supervision of a licensed psychologist ~~or prior to July 1, 1976 any person holding a certificate as a psychologist from the board of examiners of the Iowa Psychological Association following the granting of the doctoral degree or predoctoral experience, as may be acceptable to the board; or shall possess a master's degree in psychology or its equivalent from an institution approved by the board and have completed at least five years of professional experience, at least two of which shall have been under the supervision of a licensed psychologist or prior to July 1, 1976 any person holding a certificate as a psychologist from the board of examiners of the Iowa Psychological Association, as may be acceptable to the board.~~

Sec. 2. NEW SECTION. 154B.6A HEALTH SERVICE PROVIDER IN PSYCHOLOGY. A certified health service provider in psychology means a person licensed to practice psychology who has a doctoral degree in psychology, or prior to July

1, 1984 was licensed at the doctoral level with a degree in psychology or its equivalent, or was prior to January 1, 1984 licensed as a psychologist in this state and prior to January 1, 1985 receives a doctoral degree equivalent to a doctoral degree in psychology, and who has at least two years of clinical experience in a recognized health service setting or meets the standards of a national register of health service providers in psychology. A person certified as a health service provider in psychology shall be deemed qualified to diagnose or evaluate mental illness and nervous disorders, and to treat mental illnesses and nervous disorders, excluding those mental illnesses and nervous disorders which are established as primarily of biological etiology with the exception of the treatment of the psychological and behavioral aspects of those mental illnesses and nervous disorders.

Sec. 3. Section 514.1, Code Supplement 1983, is amended to read as follows:

514.1 INSURANCE LAWS EXCLUDED GENERALLY. Any A corporation hereafter organized under ~~the provisions of~~ chapter 504 or chapter 504A for the purpose of establishing, maintaining, and operating a nonprofit hospital service plan, whereby hospital service may be provided by the corporation or by a hospital with which it has a contract for service, to the public who become subscribers to this plan under a contract which entitles each subscriber to hospital service, or any a corporation organized for the purpose of establishing, maintaining, and operating a plan whereby medical and surgical service may be provided at the expense of this corporation, by duly licensed physicians and surgeons, dentists, podiatrists, osteopathic physicians, or osteopathic physicians and surgeons, to subscribers under contract, entitling each subscriber to medical and surgical service, as provided in the contract or any corporation organized for the purpose of establishing, maintaining, and operating a nonprofit pharmaceutical service plan or optometric service plan, whereby

pharmaceutical or optometric service may be provided by this corporation or by a licensed pharmacy with which it has a contract for service, to the public who become subscribers to this plan under a contract which entitles each subscriber to pharmaceutical or optometric service, shall be governed by ~~the provisions of~~ this chapter and ~~shall be~~ is exempt from all other provisions of the insurance laws of this state, unless specifically designated herein, not only in governmental relations with the state but for every other purpose, and additions hereafter enacted shall not apply to these corporations unless they be expressly designated therein. For the purposes of this chapter, "subscriber" means an individual who enters into a contract for ~~hospital services, medical or surgical services, dental services, or pharmaceutical or optometric health care~~ health care services with a corporation subject to this chapter and includes any person eligible for medical assistance or additional medical assistance as defined under chapter 249A, with respect to whom the department of human services has entered into a contract with any firm operating under chapter 514. For purposes of this chapter, "provider" ~~is as defined in section 514B-1~~ shall mean a person as defined in section 4.1, subsection 13, which is licensed or otherwise authorized in this state to furnish health care services. "Health care" shall mean that care necessary for the purpose of preventing, alleviating, curing, or healing human physical or mental illness, injury, or disability.

Sec. 4. Section 514.5, Code Supplement 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. A hospital service corporation or medical service corporation organized under this chapter may enter into contracts with subscribers and providers to furnish health care services not otherwise allocated by this section.

Sec. 5. Section 514.6, Code 1983, is amended to read as follows:

514.6 RATES--APPROVAL BY COMMISSIONER. The rates charged by any such corporation to the subscribers for ~~hospital health care service or for medical and surgical service, or for pharmaceutical or optometric service~~ hospital health care service shall at all times be subject to the approval of the commissioner of insurance.

Sec. 6. Section 514.7, unnumbered paragraph 1, Code Supplement 1983, is amended to read as follows:

The contracts by any such corporation with the subscribers for ~~hospital health care service or for medical and surgical service or for pharmaceutical or optometric service~~ hospital health care service shall at all times be subject to the approval of the commissioner of insurance. The commission shall require that participating pharmacies be reimbursed by the pharmaceutical service corporation at rates or prices equal to rates or prices charged nonsubscribers, unless the commissioner determines otherwise to prevent loss to subscribers.

Sec. 7. Section 514.8, Code 1983, is amended to read as follows:

514.8 CONTRACTS WITH HOSPITALS PROVIDERS--APPROVAL. The contracts by any such corporation with participating hospitals for hospital service or with participating physicians and surgeons, dentists, podiatrists, osteopathic physicians, or osteopathic physicians and surgeons for medical and surgical service, or with participating pharmacies for pharmaceutical service, or with participating optometrists for optometric service, or with other providers shall at all times be subject to the approval of the commissioner of insurance.

Sec. 8. Section 514.13, Code 1983, is amended to read as follows:

514.13 ARBITRATION OF DISPUTES. Any dispute arising between a corporation organized under ~~said this chapter and any hospital with which such corporation has a contract for hospital service, or any physician and surgeon, dentist,~~

pediatrist,--osteopathic-physician,--or-osteopathic-physician
and-surgeon-with-whom-any-such-corporation-has-a-contract
for-medical-and-surgical-service-or-any-pharmacy-or-optometrist
with-whom-any-such-corporation-has-a-contract-for
pharmaceutical-or-optometric-service,--as-provided-for-herein,
a provider may be submitted to the commissioner of insurance
for ~~his~~ a decision. All decisions and findings of the
commissioner of insurance may be judicially reviewed in
accordance with the terms of ~~the-Iowa-administrative-procedure~~
Act chapter 17A.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 414, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved April 20, 1984

TERRY E. BRANSTAD
Governor