

FEB 10 1998
HUMAN RESOURCES

HOUSE FILE 2202
BY FREVERT

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the payment by third parties of licensed
2 mental health counselors.

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

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HF 2202

1 Section 1. NEW SECTION. 514C.14 SERVICES PROVIDED BY
2 LICENSED MENTAL HEALTH COUNSELORS.

3 Notwithstanding section 514C.6, a policy or contract
4 providing for third-party payment or prepayment of health or
5 medical expenses shall include a provision for the payment of
6 necessary mental health services provided by a mental health
7 counselor licensed pursuant to chapters 147 and 154D and
8 performed within the scope of the license of the licensed
9 mental health counselor if the policy or contract would pay
10 for the care and treatment if the services were provided by a
11 person engaged in the practice of medicine and surgery or
12 osteopathic medicine and surgery under chapter 148 or 150A.
13 The policy or contract shall provide that policyholders and
14 subscribers under the policy or contract may reject the
15 coverage for services which may be provided by a licensed
16 mental health counselor if the coverage is rejected for all
17 providers of similar services. A policy or contract subject
18 to this section shall not impose a practice or supervision
19 restriction which is inconsistent with or more restrictive
20 than the restriction already imposed by law. This section
21 applies to services provided under a policy or contract
22 delivered, issued for delivery, continued, or renewed in this
23 state on or after July 1, 1998, and to an existing policy or
24 contract, on the policy's or contract's anniversary or renewal
25 date, or upon the expiration of the applicable collective
26 bargaining contract, if any, whichever is later. This section
27 does not apply to policyholders or subscribers eligible for
28 coverage under Title XVIII of the federal Social Security Act
29 or any similar coverage under a state or federal government
30 plan. For the purposes of this section, third-party payment
31 or prepayment includes an individual or group policy of
32 accident or health insurance or individual or group hospital
33 or health care service contract issued pursuant to chapter
34 509, 514, or 514A, an individual or group health maintenance
35 organization contract issued and regulated under chapter 514B,

1 an organized delivery system contract regulated under rules
2 adopted by the director of public health, or a preferred
3 provider organization contract regulated pursuant to chapter
4 514F. Nothing in this section shall be interpreted to require
5 an individual or group health maintenance organization, an
6 organized delivery system, or a preferred provider
7 organization or arrangement to provide payment or prepayment
8 for services provided by a licensed mental health counselor
9 unless the licensed mental health counselor has entered into a
10 contract or other agreement to provide services with the
11 individual or group health maintenance organization, the
12 organized delivery system, or the preferred provider
13 organization or arrangement.

14

EXPLANATION

15 This bill applies to the payment by third parties of
16 licensed mental health counselors for services provided within
17 the counselors' scope of practice which would otherwise be
18 paid for when provided by a licensed physician or surgeon.

19 The bill supersedes contrary requirements in Code section
20 514C.6 which otherwise would prohibit a mandated benefit
21 unless the benefit is also required by a federally regulated
22 benefit plan. The bill applies to the following third
23 parties: an individual or group policy of accident or health
24 insurance or individual or group hospital or health care
25 service contract issued pursuant to Code chapter 509, 514, or
26 514A, an individual or group health maintenance organization
27 contract issued and regulated under Code chapter 514B, an
28 organized delivery system contract regulated under rules
29 adopted by the director of public health, or a preferred
30 provider organization contract regulated pursuant to Code
31 chapter 514F.

32 The bill applies to policies or contracts delivered,
33 issued, continued, or renewed on or after July 1, 1998.
34 Managed care third-party payers are not required to pay
35 licensed mental health counselors who do not have a contract

1 with the third party.

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