

FEB 17 1998
COMMERCE AND REGULATION

HOUSE FILE 2294
BY GRUNDBERG, BRAUNS, HEATON,
MARTIN, and CHAPMAN

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

A BILL FOR

1 An Act relating to third-party payment of health care coverage
2 costs for mental health treatment services.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2294

1 Section 1. NEW SECTION. 514C.14 MANDATED COVERAGE FOR
2 MENTAL HEALTH TREATMENT.

3 1. Notwithstanding section 514C.6, a policy or contract
4 providing for third-party payment or prepayment of health or
5 medical expenses shall provide coverage benefits for services
6 for clinical disorders related to mental health which shall be
7 on terms and conditions which are no more restrictive than the
8 terms and conditions for coverage benefits provided for other
9 health or medical disorders under the policy or contract.

10 2. For purposes of this section, clinical disorders
11 related to mental health for which coverage benefits are to be
12 provided under this section are biological brain diseases
13 including schizophrenia, schizoaffective disorder, major
14 depressive disorder, bipolar disorder, paranoia and other
15 psychotic disorders, obsessive-compulsive disorder, panic
16 disorder, and pervasive developmental disorder or autism.

17 3. This section applies to the following classes of third-
18 party payment provider contracts or policies delivered, issued
19 for delivery, continued, or renewed in this state on or after
20 July 1, 1998:

21 a. Individual or group accident and sickness insurance
22 providing coverage on an expense-incurred basis.

23 b. An individual or group hospital or medical service
24 contract issued pursuant to chapter 509, 514, or 514A.

25 c. An individual or group health maintenance organization
26 contract regulated under chapter 514B.

27 d. An individual or group Medicare supplemental policy,
28 unless coverage pursuant to such policy is preempted by
29 federal law.

30 e. Any other entity engaged in the business of insurance,
31 risk transfer, or risk retention, which is subject to the
32 jurisdiction of the commissioner.

33 f. An organized delivery system licensed by the director
34 of public health.

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EXPLANATION

1 This bill creates new Code section 514C.14 and provides
2 that a policy or contract providing for third-party payment or
3 prepayment of health or medical expenses must provide coverage
4 benefits for services for clinical disorders related to mental
5 health which are to be on terms and conditions which are no
6 more restrictive than the terms and conditions associated with
7 coverage benefits provided for other health or medical
8 disorders under the policy or contract.

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