

COMMERCE

FILED FEB 22 2000

SENATE FILE

2234

BY SZYMONIAK

Passed Senate, Date _____ Passed House, 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 biologically based mental illness treatment services
3 and increasing the lifetime maximum benefit.

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

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SF 2234
COMMERCE

1 Section 1. NEW SECTION. 514C.19 BIOLOGICALLY BASED
2 MENTAL ILLNESS.

3 1. Notwithstanding the uniformity of treatment
4 requirements of section 514C.6, a group policy or contract
5 providing for third-party payment or prepayment of health or
6 medical expenses issued by a carrier, as defined in section
7 513B.2, or by an organized delivery system authorized under
8 1993 Iowa Acts, chapter 158, shall provide coverage benefits
9 for treatment of a biologically based mental illness if either
10 of the following is satisfied:

11 a. The policy or contract is issued to an employer who
12 during at least fifty percent of the employer's working days
13 during the preceding calendar year, employed more than fifty
14 full-time equivalent employees. In determining the number of
15 full-time equivalent employees of an employer, employers who
16 are affiliated or who are able to file a consolidated tax
17 return for purposes of state taxation shall be considered one
18 employer.

19 b. The policy or contract is issued to a small employer as
20 defined in section 513B.2, and such policy or contract
21 provides coverage benefits for the treatment of mental
22 illness.

23 2. Notwithstanding the uniformity of treatment
24 requirements of section 514C.6, a plan established pursuant to
25 chapter 509A for public employees shall provide coverage
26 benefits for treatment of a biologically based mental illness.

27 3. For purposes of this section, "biologically based
28 mental illness" means the following psychiatric illnesses:

- 29 a. Schizophrenia.
- 30 b. Bipolar disorders.
- 31 c. Major depressive disorders.
- 32 d. Schizo-affective disorders.
- 33 e. Obsessive-compulsive disorders.
- 34 f. Pervasive developmental disorders.
- 35 g. Autistic disorders.

1 4. This section shall not apply to accident only,
2 specified disease, short-term hospital or medical, hospital
3 confinement indemnity, credit, dental, vision, Medicare
4 supplement, long-term care, basic hospital and medical-
5 surgical expense coverage as defined by the commissioner,
6 disability income insurance coverage, coverage issued as a
7 supplement to liability insurance, workers' compensation or
8 similar insurance, or automobile medical payment insurance, or
9 individual accident and sickness policies issued to
10 individuals or to individual members of a member association.

11 5. A carrier, organized delivery system, or plan
12 established pursuant to chapter 509A may manage the benefits
13 provided through common methods including, but not limited to,
14 providing payment of benefits or providing care and treatment
15 under a capitated payment system, prospective reimbursement
16 rate system, utilization control system, incentive system for
17 the use of least restrictive and least costly levels of care,
18 a preferred provider contract limiting choice of specific
19 providers, or any other system, method, or organization
20 designed to assure services are medically necessary and
21 clinically appropriate.

22 6. A group policy or contract or plan covered under this
23 section shall at a minimum allow for thirty inpatient days and
24 fifty-two outpatient visits annually. The policy or contract
25 or plan may also include deductibles, coinsurance, or
26 copayments if such deductibles, coinsurance, or copayments are
27 applicable to other medical or surgical services coverage
28 under the policy or contract or plan.

29 7. This section applies to third-party payment provider
30 policies or contracts and plans established pursuant to
31 chapter 509A delivered, issued for delivery, continued, or
32 renewed in this state on or after July 1, 2001.

33 Sec. 2. MENTAL HEALTH BENEFITS. The insurance
34 commissioner, pursuant to the commissioner's authority under
35 section 513B.14, shall increase the lifetime maximum benefit

1 for mental health services under a standard health benefit
2 plan provided under 191 IAC 71.14 from fifty thousand dollars
3 to one hundred thousand dollars. The increase shall be made
4 effective for a standard health benefit plan delivered, issued
5 for delivery, continued, or renewed in this state on or after
6 July 1, 2000.

7 EXPLANATION

8 This bill creates a new Code section 514C.19 and provides
9 that a group policy or contract providing for third-party
10 payment or prepayment of health or medical expenses issued by
11 a carrier, as defined in Code section 513B.2, or by an
12 organized delivery system authorized under 1993 Iowa Acts,
13 chapter 158, shall provide coverage benefits for treatment of
14 a biologically based mental illness if the policy or contract
15 is issued to an employer who, during at least 50 percent of
16 the employer's working days during the preceding calendar
17 year, employed more than 50 full-time equivalent employees; if
18 the policy or contract is issued to a small employer as
19 defined in Code section 513B.2, and such policy or contract
20 provides coverage benefits for the treatment of mental
21 illness; or if the plan is established pursuant to Code
22 chapter 509A for public employees.

23 The bill defines "biologically based mental illness" as
24 psychiatric illnesses including schizophrenia, bipolar
25 disorders, major depressive disorders, schizo-affective
26 disorders, obsessive-compulsive disorders, pervasive
27 developmental disorders, and autistic disorders.

28 The bill provides that a carrier, organized delivery
29 system, or plan established pursuant to Code chapter 509A may
30 manage the benefits provided through common methods including,
31 but not limited to, providing payment of benefits or providing
32 care and treatment under a capitated payment system,
33 prospective reimbursement rate system, utilization control
34 system, incentive system for the use of least restrictive and
35 least costly levels of care, a preferred provider contract

1 limiting choice of specific providers, or any other system,
2 method, or organization designed to assure services are
3 medically necessary and clinically appropriate.

4 The bill provides that the new Code section created applies
5 to third-party payment provider contracts or policies and
6 public employer plans delivered, issued for delivery,
7 continued, or renewed in this state on or after July 1, 2001.

8 The bill directs the insurance commissioner to increase the
9 lifetime maximum benefit for mental health services under a
10 standard health benefit plan from \$50,000 to \$100,000.

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