

2/16/99 Do Pass
3/3/99 Referred back to
Commerce

FILED FEB 2 1999

SENATE FILE 83

BY MADDOX, LUNDBY, JOHNSON, DVORSKY,
BOETTGER, ZIEMAN, JENSEN, HARPER,
SZYMONIAK, SHEARER, FREEMAN,
BOLKCOM, FINK, DELUHERY, TINSMAN,
and BARTZ

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 coverage costs
2 for mental health and substance abuse treatment services.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4

SENATE FILE 83

S-3157

1 Amend Senate File 83 as follows:
2 1. Page 1, by inserting after line 23 the
3 following:
4 "c. Coverage under this section does not include a
5 condition defined as relational, including but not
6 limited to marital counseling; adult, child, and
7 adolescent antisocial behavior; bereavement; and
8 religious or spiritual problems."

By O. GENE MADDOX

S-3157 FILED MARCH 25, 1999

SF 83
COMMERCE

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1 Section 1. NEW SECTION. 514C.14 MENTAL HEALTH AND
2 SUBSTANCE ABUSE TREATMENT COVERAGE.

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

11 b. Coverage required under this section includes the
12 following:

13 (1) For the treatment of mental illness, services provided
14 by a licensed mental health professional, or services provided
15 in a licensed hospital or health facility.

16 (2) For the treatment of substance abuse or other
17 addictive disorder, services provided by a qualified
18 professional as defined by rule of the Iowa department of
19 public health, a licensed health facility providing a program
20 for the treatment of substance abuse or other addictive
21 disorder approved by the Iowa department of public health, or
22 a licensed substance abuse treatment and rehabilitation
23 facility.

24 2. This section applies to the following classes of third-
25 party payment provider contracts or policies delivered, issued
26 for delivery, continued, or renewed in this state on or after
27 July 1, 2000:

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

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

32 c. An individual or group health maintenance organization
33 contract regulated under chapter 514B.

34 d. An individual or group Medicare supplemental policy,
35 unless coverage pursuant to such policy is preempted by

1 federal law.

2 e. An organized delivery system licensed by the director
3 of public health.

4 f. Any other entity engaged in the business of insurance,
5 risk transfer, or risk retention, which is subject to the
6 jurisdiction of the commissioner.

7 3. For purposes of this section, unless the context
8 otherwise requires:

9 a. "Mental health or substance abuse condition" means a
10 condition or disorder involving mental illness or substance
11 abuse or other addictive disorder which is included in the
12 diagnostic categories listed in the mental disorders section
13 of the international classification of disease, as
14 periodically revised.

15 b. "Rates, terms, and conditions" means lifetime payment
16 limits, deductibles, copayments, coinsurance, and any other
17 cost-sharing requirements, out-of-pocket limits, visit
18 limitations, and any other financial component of benefits
19 coverage that affects the covered individual.

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EXPLANATION

21 This bill creates new Code section 514C.14 and requires
22 coverage benefits under a policy or contract providing for
23 third-party payment or prepayment of health or medical
24 expenses for mental health and substance abuse conditions
25 based on rates, terms, and conditions which are no more
26 restrictive than the rates, terms, and conditions for coverage
27 benefits provided for other health or medical conditions. The
28 bill requires coverage for services provided by a licensed
29 mental health professional, or services provided in a licensed
30 hospital or health facility for the treatment of mental
31 illness; and for services provided by a qualified professional
32 as defined by rule of the Iowa department of public health, a
33 licensed health facility providing a program for the treatment
34 of substance abuse or other addictive disorder approved by the
35 Iowa department of public health, or a licensed substance

1 abuse treatment and rehabilitation facility for the treatment
2 of substance abuse or other addictive disorder.

3 The bill defines "rates, terms, and conditions" to include
4 lifetime payment limits, deductibles, copayments, coinsurance,
5 and any other cost-sharing requirements, out-of-pocket limits,
6 visit limitations, and any other financial component of
7 benefits coverage that affects the covered individual.

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