

JAN 19 2007

COMMERCE AND REGULATION

HOUSE FILE
BY JOCHUM

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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 conditions, including substance abuse
3 treatment services.

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

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HC 72

1 Section 1. NEW SECTION. 514C.21 MANDATED COVERAGE FOR
2 MENTAL HEALTH CONDITIONS.

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 conditions based on rates, terms, and conditions
7 which are no more restrictive than the rates, terms, and
8 conditions for coverage benefits provided for other health or
9 medical conditions under the policy or contract.
10 Additionally, any rates, terms, and conditions involving
11 deductibles, copayments, coinsurance, and any other cost-
12 sharing requirements shall be cumulative for coverage of both
13 mental health conditions and other health or medical
14 conditions under the policy or contract.

15 b. Coverage required under this subsection shall be as
16 follows:

17 (1) For the treatment of mental illness, coverage shall be
18 for services provided by a licensed mental health
19 professional, or services provided in a licensed hospital or
20 health facility.

21 (2) For the treatment of alcohol or substance abuse,
22 coverage shall be for services provided by a substance abuse
23 counselor, as approved by the department of human services, a
24 licensed health facility providing a program for the treatment
25 of alcohol or substance abuse approved by the department of
26 human services, or a licensed substance abuse treatment and
27 rehabilitation facility.

28 2. This section applies to the following classes of third-
29 party payment provider contracts or policies delivered, issued
30 for delivery, continued, or renewed in this state on or after
31 January 1, 2002:

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

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

1 c. An individual or group health maintenance organization
2 contract regulated under chapter 514B.

3 d. An individual or group Medicare supplemental policy,
4 unless coverage pursuant to such policy is preempted by
5 federal law.

6 e. Any other entity engaged in the business of insurance,
7 risk transfer, or risk retention, which is subject to the
8 jurisdiction of the commissioner.

9 f. An organized delivery system licensed by the director
10 of public health.

11 3. For purposes of this section, unless the context
12 otherwise requires:

13 a. "Mental health condition" means a condition or disorder
14 involving mental illness or alcohol or substance abuse that
15 falls under any of the diagnostic categories listed in the
16 mental disorders section of the international classification
17 of disease, as periodically revised.

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

23 EXPLANATION

24 This bill creates new Code section 514C.21 and provides
25 that a policy or contract providing for third-party payment or
26 prepayment of health or medical expenses must provide coverage
27 benefits for mental health conditions based on rates, terms,
28 and conditions which are no more restrictive than the rates,
29 terms, and conditions associated with coverage benefits
30 provided for other conditions under the policy or contract.
31 Mental health conditions are defined to mean a condition or
32 disorder involving mental illness or alcohol or substance
33 abuse that falls under any of the diagnostic categories listed
34 in the mental disorders section of the international
35 classification of disease, as periodically updated.

