

COMMERCE

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SENATE FILE

132

BY TINSMAN

(COMPANION TO HF 153

BY GRUNDBERG)

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 children under the age of nineteen for treatment of
3 neurobiological disorders and substance abuse.

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

HF 132
COMMERCE

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TLSB 1276SS 79

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1 Section 1. NEW SECTION. 514C.21 MANDATED COVERAGE FOR
2 TREATMENT OF CHILDREN -- NEUROBIOLOGICAL DISORDER AND
3 SUBSTANCE ABUSE.

4 1. Notwithstanding the uniformity of treatment
5 requirements of section 514C.6, a group policy or contract
6 providing for third-party payment or prepayment of health or
7 medical expenses issued by a carrier, as defined in section
8 513B.2, or by an organized delivery system authorized under
9 1993 Iowa Acts, chapter 158, shall provide coverage benefits
10 to any child under the age of nineteen for treatment of a
11 neurobiological disorder and for substance abuse if either of
12 the following is satisfied:

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

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

25 2. Notwithstanding the uniformity of treatment
26 requirements of section 514C.6, a plan established pursuant to
27 chapter 509A for public employees shall provide coverage
28 benefits to any child under the age of nineteen for treatment
29 of a neurobiological disorder and for substance abuse.

30 3. For purposes of this section:

31 a. "Neurobiological disorder" means the following:

32 (1) Schizophrenia and other psychotic disorders.

33 (2) Mood disorders.

34 (3) Anxiety disorders.

35 (4) Pervasive developmental disorders and attention

1 deficit.

2 b. "Substance abuse" means a pattern of pathological use
3 of alcohol or a drug that causes impairment in social or
4 occupational functioning, or that produces physiological
5 dependency evidenced by physical tolerance or by physical
6 symptoms when the alcohol or drug is withdrawn.

7 4. The commissioner, by rule, shall define the
8 neurobiological disorders identified in subsection 3.
9 Definitions established by the commissioner shall be
10 consistent with definitions provided in the most recent
11 edition of the American psychiatric association's diagnostic
12 and statistical manual of mental disorders, as such
13 definitions may be amended from time to time. The
14 commissioner may adopt the definitions provided in such manual
15 by reference.

16 5. This section shall not apply to accident only,
17 specified disease, short-term hospital or medical, hospital
18 confinement indemnity, credit, dental, vision, Medicare
19 supplement, long-term care, basic hospital and medical-
20 surgical expense coverage as defined by the commissioner,
21 disability income insurance coverage, coverage issued as a
22 supplement to liability insurance, workers' compensation or
23 similar insurance, or automobile medical payment insurance, or
24 individual accident and sickness policies issued to
25 individuals or to individual members of a member association.

26 6. A carrier, organized delivery system, or plan
27 established pursuant to chapter 509A may manage the benefits
28 provided through common methods including, but not limited to,
29 providing payment of benefits or providing care and treatment
30 under a capitated payment system, prospective reimbursement
31 rate system, utilization control system, incentive system for
32 the use of least restrictive and least costly levels of care,
33 a preferred provider contract limiting choice of specific
34 providers, or any other system, method, or organization
35 designed to assure services are medically necessary and

1 clinically appropriate.

2 7. a. A group policy or contract or plan covered under
3 this section shall not impose an aggregate annual or lifetime
4 limit on neurobiological disorder or substance abuse coverage
5 benefits unless the policy or contract or plan imposes an
6 aggregate annual or lifetime limit on substantially all
7 medical and surgical coverage benefits.

8 b. A group policy or contract or plan covered under this
9 section that imposes an aggregate annual or lifetime limit on
10 substantially all medical and surgical coverage benefits shall
11 not impose an aggregate annual or lifetime limit on
12 neurobiological disorder or substance abuse coverage benefits
13 which is less than the aggregate annual or lifetime limit
14 imposed on substantially all medical and surgical coverage
15 benefits.

16 8. A group policy or contract or plan covered under this
17 section shall at a minimum allow for thirty inpatient days and
18 fifty-two outpatient visits annually. The policy or contract
19 or plan may also include deductibles, coinsurance, or
20 copayments, provided the amounts and extent of such
21 deductibles, coinsurance, or copayments applicable to other
22 medical or surgical services coverage under the policy or
23 contract or plan are the same. It is not a violation of this
24 section if the policy or contract or plan excludes entirely
25 from coverage benefits for the cost of providing the
26 following:

27 a. Marital, family, educational, developmental, or
28 training services.

29 b. Care that is substantially custodial in nature.

30 c. Services and supplies that are not medically necessary
31 or clinically appropriate.

32 d. Experimental treatments.

33 9. This section applies to third-party payment provider
34 policies or contracts and plans established pursuant to
35 chapter 509A delivered, issued for delivery, continued, or

1 renewed in this state on or after January 1, 2002.

2 EXPLANATION

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

19 The bill defines "neurobiological disorder" as
20 schizophrenia and other psychotic disorders, mood disorders,
21 anxiety disorders, pervasive developmental disorders, and
22 attention deficit. The commissioner is directed to establish
23 by rule the definition of the neurobiological disorders
24 identified. The definitions established by the commissioner
25 are to be consistent with definitions provided in the most
26 recent edition of the American psychiatric association's
27 diagnostic and statistical manual of mental disorders, as the
28 definitions may be amended from time to time. The
29 commissioner may adopt the definitions provided in such manual
30 by reference.

31 "Substance abuse" is defined as a pattern of pathological
32 use of alcohol or a drug that causes impairment in social or
33 occupational functioning, or that produces physiological
34 dependency evidenced by physical tolerance or by physical
35 symptoms when the alcohol or drug is withdrawn.

1 The bill provides that a carrier, organized delivery
2 system, or plan established pursuant to Code chapter 509A may
3 manage the benefits provided through common methods including,
4 but not limited to, providing payment of benefits or providing
5 care and treatment under a capitated payment system,
6 prospective reimbursement rate system, utilization control
7 system, incentive system for the use of least restrictive and
8 least costly levels of care, a preferred provider contract
9 limiting choice of specific providers, or any other system,
10 method, or organization designed to assure services are
11 medically necessary and clinically appropriate.

12 The bill provides that the new Code section created applies
13 to third-party payment provider contracts or policies and
14 public employer plans delivered, issued for delivery,
15 continued, or renewed in this state on or after January 1,
16 2002.

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