

Senate Study Bill 3080

Bill Text

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1 1 Section 1. NEW SECTION. 514C.21 MANDATED COVERAGE FOR
1 2 MENTAL HEALTH CONDITIONS AND SUBSTANCE ABUSE TREATMENT
1 3 SERVICES.
1 4 1. For purposes of this section, unless the context
1 5 otherwise requires:
1 6 a. "Mental health condition" means a condition or disorder
1 7 involving mental illness that is listed in the most recent
1 8 edition of the American psychiatric association's diagnostic
1 9 and statistical manual of mental disorders, as periodically
1 10 revised.
1 11 b. "Rates, terms, and conditions" means any lifetime or
1 12 annual payment limits, deductibles, copayments, coinsurance,
1 13 and any other cost-sharing requirements, out-of-pocket limits,
1 14 visit limitations, and any other financial component of
1 15 benefits coverage that affects the covered individual.
1 16 c. "Substance abuse" means a pattern of pathological use
1 17 of alcohol or a drug that causes impairment in social or
1 18 occupational functioning, or that produces physiological
1 19 dependency evidenced by physical tolerance or by physical
1 20 symptoms when the alcohol or drug is withdrawn.
1 21 2. a. Notwithstanding the uniformity of treatment
1 22 requirements of section 514C.6, a policy, contract, or plan
1 23 providing for third-party payment or prepayment of health or
1 24 medical expenses shall provide coverage benefits for mental
1 25 health conditions and substance abuse treatment services based
1 26 on rates, terms, and conditions that are no more restrictive
1 27 than the rates, terms, and conditions for coverage benefits
1 28 provided for other health or medical conditions under the
1 29 policy, contract, or plan.
1 30 b. Any restrictions or limitations with respect to rates,
1 31 terms, and conditions involving deductibles, copayments,
1 32 coinsurance, and any other cost-sharing requirements shall be
1 33 cumulative for coverage of mental health conditions, substance
1 34 abuse treatment services, and other health or medical
1 35 conditions under a policy, contract, or plan. A policy,
2 1 contract, or plan subject to this section shall not impose an
2 2 aggregate lifetime or annual limit on mental health conditions
2 3 or substance abuse treatment services coverage benefits unless
2 4 the policy, contract, or plan imposes an aggregate lifetime or
2 5 annual limit on substantially all health or medical coverage
2 6 benefits. A policy, contract, or plan subject to this section
2 7 that imposes an aggregate lifetime or annual limit on
2 8 substantially all medical and surgical coverage benefits shall
2 9 not impose an aggregate lifetime or annual limit on mental
2 10 health condition or substance abuse treatment services
2 11 coverage benefits that is less than the aggregate lifetime or
2 12 annual limit imposed on substantially all health or medical
2 13 coverage benefits.
2 14 c. Coverage required under this section shall be as
2 15 follows:
2 16 (1) For the treatment of a mental health condition,
2 17 coverage shall be for services provided by a health
2 18 professional licensed under chapters 147A, 148, 150A, 154B,
2 19 154C, and 154D, and services provided in a hospital, clinic,
2 20 office, community mental health center, health care facility,
2 21 outpatient treatment facility, or similar facility for the

2 22 provision of health care services.

2 23 (2) For the treatment of substance abuse, coverage shall
2 24 be for emergency treatment, outpatient treatment, inpatient
2 25 treatment, residential treatment, halfway house treatment, and
2 26 follow-up treatment and rehabilitation, pursuant to the
2 27 comprehensive program for treatment for substance abuse
2 28 maintained by the department of public health pursuant to
2 29 section 125.12 in hospitals licensed under chapter 135B and
2 30 facilities licensed under chapter 125.

2 31 3. This section applies to the following classes of third-
2 32 party payment provider policies, contracts, or plans
2 33 delivered, issued for delivery, continued, or renewed in this
2 34 state on or after January 1, 2003:

2 35 a. Individual or group accident and sickness insurance
3 1 providing coverage on an expense-incurred basis.

3 2 b. An individual or group hospital or medical service
3 3 contract issued pursuant to chapter 509, 514, or 514A.

3 4 c. A plan established pursuant to chapter 509A for public
3 5 employees.

3 6 d. An individual or group health maintenance organization
3 7 contract regulated under chapter 514B.

3 8 e. An individual or group Medicare supplemental policy,
3 9 unless coverage pursuant to such policy is preempted by
3 10 federal law.

3 11 f. Any other entity engaged in the business of insurance,
3 12 risk transfer, or risk retention, which is subject to the
3 13 jurisdiction of the commissioner.

3 14 g. An organized delivery system licensed by the director
3 15 of public health.

3 16 4. The commissioner shall adopt rules pursuant to chapter
3 17 17A to administer this section.

3 18 EXPLANATION

3 19 This bill creates new Code section 514C.21 and provides
3 20 that a policy, contract, or plan providing for third-party
3 21 payment or prepayment of health or medical expenses must
3 22 provide coverage benefits for mental health conditions and
3 23 substance abuse treatment services based on rates, terms, and
3 24 conditions that are no more restrictive than the rates, terms,
3 25 and conditions associated with coverage benefits provided for
3 26 other conditions under the policy, contract, or plan.

3 27 "Mental health condition" is defined to mean a condition or
3 28 disorder involving mental illness that is listed in the
3 29 American psychiatric association's diagnostic and statistical
3 30 manual of mental disorders. "Substance abuse" means a pattern
3 31 of pathological use of alcohol or a drug that causes
3 32 impairment or produces dependency.

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