

MAR 13 2003
Place On Calendar

HOUSE FILE 543
BY COMMITTEE ON COMMERCE,
REGULATION AND LABOR

(SUCCESSOR TO HF 97)

Passed House, Date 5/1/03 Passed 3/8/03 Passed Senate, Date 4/30/03
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved 5/16/03

A BILL FOR

1 An Act relating to the provision of certain information for
2 insureds regarding external review of health care coverage
3 decisions.

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

HF 543

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1 Section 1. Section 514J.3A, Code 2003, is amended to read
2 as follows:

3 514J.3A NOTICE.

4 1. An insurance card issued by a carrier or organized
5 delivery system for a policy or contract providing for third-
6 party payment or prepayment of health or medical expenses
7 subject to this section shall contain the telephone number for
8 an insured to obtain more information regarding initiation of
9 the external review process for coverage decisions under this
10 chapter.

11 2. The telephone number for an insured to obtain more
12 information regarding initiation of the external review
13 process in this chapter shall also be posted in a prominent
14 place in the office of a private practitioner or group of
15 practitioners who are health care providers as defined in
16 section 135.61, or an institutional health care facility as
17 defined in section 135.61.

18 3. When a claim is denied in whole or in part based on
19 medical necessity, the carrier or organized delivery system
20 shall provide a notice in writing to the enrollee of the
21 internal appeal mechanism provided under the carrier or
22 organized delivery system's plan or policy.

23 4. At the time of a coverage decision, the carrier or
24 organized delivery system shall notify the enrollee in writing
25 of the right to have the coverage decision reviewed under the
26 external review process.

27 EXPLANATION

28 This bill amends Code section 514J.3A, relating to notice
29 provisions for the external process for health care coverage
30 decisions under Code chapter 514J. The bill adds a
31 requirement that the phone number for an insured to obtain
32 more information about the external review process be printed
33 on the insured's insurance card, and be posted in a prominent
34 place in health care facilities.

35

HOUSE FILE 543

S-3196

1 Amend House File 543, as passed by the House, as
2 follows:
3 1. By striking everything after the enacting
4 clause and inserting the following:
5 "Section 1. Section 514C.4, subsection 1,
6 unnumbered paragraph 1, Code 2003, is amended to read
7 as follows:
8 A policy or contract providing for third-party
9 payment or prepayment of health or medical expenses
10 shall provide minimum mammography examination
11 coverage, including, but not limited to, the following
12 classes of third-party payment provider contracts or
13 policies delivered, issued for delivery, continued, or
14 renewed in this state ~~on or after July 1, 1989.~~
15 Sec. 2. Section 514C.4, subsection 2, paragraphs a
16 and c, Code 2003, are amended to read as follows:
17 a. One baseline mammogram for any woman who is
18 thirty-five through thirty-nine years of age, or more
19 frequent mammograms if recommended by the woman's
20 physician.
21 c. A mammogram every year for any woman who is
22 fifty years of age or older, or more frequently if
23 recommended by the woman's physician.
24 Sec. 3. Section 514C.4, subsection 4, Code 2003,
25 is amended to read as follows:
26 4. The commissioner of insurance shall adopt rules
27 under chapter 17A necessary to implement this section
28 ~~no later than July 1, 1989.~~
29 2. Title page, by striking lines 1 through 3 and
30 inserting the following: "An Act relating to minimum
31 mammography examination coverage, and making related
32 changes."
33 3. By renumbering, redesignating, and correcting
34 internal references as necessary.

By COMMITTEE ON COMMERCE
JEFF ANGELO, CHAIRPERSON

S-3196 FILED APRIL 10, 2003

Adopted 4/30/03

S-3290

1 Amend the amendment, S-3196, to House File 543, as
2 passed by the House, as follows:

3 1. Page 1, by striking lines 5 through 32 and
4 inserting the following:

5 ""Sec. ____ . NEW SECTION. 514C.21 MANDATED
6 COVERAGE FOR NEUROBIOLOGICAL DISORDERS AND UNDERLYING
7 CO-MORBIDITY.

8 1. For purposes of this section, unless the
9 context otherwise requires:

10 a. "Co-morbidity" means the coexistence of
11 conditions or diagnosable disorders such as
12 neurobiological disorders and substance abuse.

13 b. "Neurobiological disorder" means the following:

14 (1) Schizophrenia and other psychotic disorders.

15 (2) Affective disorders.

16 (3) Anxiety disorders.

17 (4) Pervasive developmental disorders.

18 (5) Attention deficit hyperactivity disorder and
19 related disorders.

20 (6) Disorders identified in childhood and
21 adolescence.

22 The commissioner, by rule, shall identify the
23 neurobiological disorders covered by this definition,
24 consistent with the guidelines provided in the most
25 recent edition of the American psychiatric
26 association's diagnostic and statistical manual of
27 mental disorders, as such definitions may be amended
28 from time to time. The commissioner may adopt the
29 definitions provided in the manual by reference.

30 c. "Rates, terms, and conditions" means any
31 lifetime or annual payment limits, deductibles,
32 copayments, coinsurance, and any other cost-sharing
33 requirements, out-of-pocket limits, visit limitations,
34 and any other financial component of benefits coverage
35 that affects the covered individual.

36 d. "Substance abuse" means a pattern of
37 pathological use of alcohol or a drug that causes
38 impairment in social or occupational functioning, or
39 that produces physiological dependency evidenced by
40 physical tolerance or by physical symptoms when the
41 alcohol or drug is withdrawn.

42 2. a. Notwithstanding the uniformity of treatment
43 requirements of section 514C.6, a policy, contract, or
44 plan providing for third-party payment or prepayment
45 of health, medical, and surgical expenses shall
46 provide coverage benefits for treatment for
47 neurobiological disorders and underlying co-morbidity
48 based on rates, terms, and conditions that are no more
49 restrictive than the rates, terms, and conditions for
50 coverage benefits provided for other health or medical

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1 conditions under the policy, contract, or plan.
2 b. Any restrictions or limitations with respect to
3 rates, terms, and conditions involving deductibles,
4 copayments, coinsurance, and any other cost-sharing
5 requirements shall be cumulative for coverage of
6 treatment for neurobiological disorders and underlying
7 co-morbidity and other health or medical conditions
8 under a policy, contract, or plan. A policy,
9 contract, or plan subject to this section shall not
10 impose an aggregate lifetime or annual limit on
11 treatment for neurobiological disorders or underlying
12 co-morbidity coverage benefits unless the policy,
13 contract, or plan imposes an aggregate lifetime or
14 annual limit on substantially all health, medical, or
15 surgical coverage benefits. A policy, contract, or
16 plan subject to this section that imposes an aggregate
17 lifetime or annual limit on substantially all health,
18 medical, or surgical coverage benefits shall not
19 impose an aggregate lifetime or annual limit on
20 treatment for neurobiological disorders or underlying
21 co-morbidity coverage benefits that is less than the
22 aggregate lifetime or annual limit imposed on
23 substantially all health or medical coverage benefits.

24 c. Coverage required under this section shall be
25 for the treatment of neurobiological disorders and
26 underlying co-morbidity, for services provided by a
27 health professional licensed under chapter 147A, 148,
28 150A, 152, 154B, 154C, or 154D, for services provided
29 in a hospital, clinic, office, community mental health
30 center, health care facility, outpatient treatment
31 facility, residential treatment facility, halfway
32 house, or similar facility for the provision of health
33 care services, and for services provided pursuant to
34 the comprehensive program for treatment for substance
35 abuse maintained by the department of public health
36 pursuant to section 125.12 in a hospital licensed
37 under chapter 135B or a facility licensed under
38 chapter 125.

39 3. This section applies to the following classes
40 of third-party payment provider policies, contracts,
41 or plans delivered, issued for delivery, continued, or
42 renewed in this state on or after January 1, 2004:

43 a. Individual or group accident and sickness
44 insurance providing coverage on an expense-incurred
45 basis.

46 b. An individual or group hospital or medical
47 service contract issued pursuant to chapter 509, 514,
48 or 514A.

49 c. A plan established pursuant to chapter 509A for
50 public employees.

- 1 d. An individual or group health maintenance
- 2 organization contract regulated under chapter 514B.
- 3 e. An individual or group Medicare supplemental
- 4 policy, unless coverage pursuant to such policy is
- 5 preempted by federal law.
- 6 f. Any other entity engaged in the business of
- 7 insurance, risk transfer, or risk retention, which is
- 8 subject to the jurisdiction of the commissioner.
- 9 g. An organized delivery system licensed by the
- 10 director of public health.
- 11 4. The commissioner shall adopt rules pursuant to
- 12 chapter 17A to administer this section.

13 Sec. ____ . INSURANCE DIVISION STUDY IN CONJUNCTION
14 WITH STATE AUDITOR.

15 1. The insurance division of the department of
16 commerce, in conjunction with the auditor of state,
17 shall conduct a study of the cost of providing
18 neurobiological disorder coverage benefits in Iowa.

19 2. The study shall assess at least all of the
20 following:

- 21 a. Identification of the costs attributed to
- 22 treatment of neurobiological disorders, and to
- 23 underlying co-morbidity.
- 24 b. An estimate of the impact of mandated coverage
- 25 on health care coverage benefit costs and
- 26 availability.
- 27 c. Actions taken by the division to ensure that
- 28 third-party payors subject to this Act are in
- 29 compliance.
- 30 d. Identification of any segments of the
- 31 population of this state that may be excluded from or
- 32 have limited access to treatment, including the number
- 33 of citizens that may be excluded from or have limited
- 34 access to treatment under third-party payor policies
- 35 or contracts provided by employers who receive
- 36 substantial revenue from public sources.

37 3. The insurance division shall submit a written
38 report to the general assembly on or before January
39 30, 2005.

40 Sec. ____ . DEPARTMENT OF PUBLIC HEALTH STUDY.

41 1. The department of public health shall conduct a
42 two-year study of the mental health delivery system in
43 Iowa, beginning July 1, 2003.

44 2. The study shall include participation by at
45 least all of the following:

- 46 a. Representatives of professional health care
- 47 groups licensed under chapters 147A, 148, 150A, 152,
- 48 154B, 154C, and 154D.
- 49 b. Representatives of associations or other groups
- 50 representing hospitals, clinics, community mental

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1 health centers, community corrections and prison
2 corrections, health care facilities, outpatient
3 treatment facilities, and any other facility offering
4 mental health services.

5 c. County supervisors, representatives from the
6 department of human services, judges, mental health
7 advocates, and other state or county officials
8 involved in the provision of mental health services.

9 d. Consumers, family members, and patients.

10 3. The participants in the study shall assess the
11 relevant issues facing the mental health delivery
12 system in Iowa, and shall prepare a report with
13 recommendations for presentation to the general
14 assembly no later than November 1, 2005."

15 _____. Title page, by striking lines 1 through 3 and
16 inserting the following: "An Act requiring third-
17 party providers of policies, contracts, or plans that
18 provide payment or prepayment of health or medical
19 expenses to provide coverage for neurobiological
20 disorders and underlying co-morbidity based on rates,
21 terms, and conditions that are no more restrictive
22 than the rates, terms, and conditions for other health
23 or medical conditions under the policy, contract, or
24 plan, and providing for studies by the insurance
25 division of the department of commerce, and by the
26 department of public health."

By MARY A. LUNDBY

S-3290 FILED APRIL 23, 2003

Withdrawn 4/30/03

HOUSE FILE 543

S-3291

1 Amend House File 543, as passed by the House, as
2 follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. NEW SECTION. 514C.21 MANDATED
6 COVERAGE FOR NEUROBIOLOGICAL DISORDERS AND UNDERLYING
7 CO-MORBIDITY.

8 1. For purposes of this section, unless the
9 context otherwise requires:

10 a. "Co-morbidity" means the coexistence of
11 conditions or diagnosable disorders such as
12 neurobiological disorders and substance abuse.

13 b. "Neurobiological disorder" means the following:

- 14 (1) Schizophrenia and other psychotic disorders.
15 (2) Affective disorders.
16 (3) Anxiety disorders.
17 (4) Pervasive developmental disorders.
18 (5) Attention deficit hyperactivity disorder and
19 related disorders.

20 (6) Disorders identified in childhood and
21 adolescence.

22 The commissioner, by rule, shall identify the
23 neurobiological disorders covered by this definition,
24 consistent with the guidelines provided in the most
25 recent edition of the American psychiatric
26 association's diagnostic and statistical manual of
27 mental disorders, as such definitions may be amended
28 from time to time. The commissioner may adopt the
29 definitions provided in the manual by reference.

30 c. "Rates, terms, and conditions" means any
31 lifetime or annual payment limits, deductibles,
32 copayments, coinsurance, and any other cost-sharing
33 requirements, out-of-pocket limits, visit limitations,
34 and any other financial component of benefits coverage
35 that affects the covered individual.

36 d. "Substance abuse" means a pattern of
37 pathological use of alcohol or a drug that causes
38 impairment in social or occupational functioning, or
39 that produces physiological dependency evidenced by
40 physical tolerance or by physical symptoms when the
41 alcohol or drug is withdrawn.

42 2. a. Notwithstanding the uniformity of treatment
43 requirements of section 514C.6, a policy, contract, or
44 plan providing for third-party payment or prepayment
45 of health, medical, and surgical expenses shall
46 provide coverage benefits for treatment for
47 neurobiological disorders and underlying co-morbidity
48 based on rates, terms, and conditions that are no more
49 restrictive than the rates, terms, and conditions for
50 coverage benefits provided for other health or medical

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1 conditions under the policy, contract, or plan.
2 b. Any restrictions or limitations with respect to
3 rates, terms, and conditions involving deductibles,
4 copayments, coinsurance, and any other cost-sharing
5 requirements shall be cumulative for coverage of
6 treatment for neurobiological disorders and underlying
7 co-morbidity and other health or medical conditions
8 under a policy, contract, or plan. A policy,
9 contract, or plan subject to this section shall not
10 impose an aggregate lifetime or annual limit on
11 treatment for neurobiological disorders or underlying
12 co-morbidity coverage benefits unless the policy,
13 contract, or plan imposes an aggregate lifetime or
14 annual limit on substantially all health, medical, or
15 surgical coverage benefits. A policy, contract, or
16 plan subject to this section that imposes an aggregate
17 lifetime or annual limit on substantially all health,
18 medical, or surgical coverage benefits shall not
19 impose an aggregate lifetime or annual limit on
20 treatment for neurobiological disorders or underlying
21 co-morbidity coverage benefits that is less than the
22 aggregate lifetime or annual limit imposed on
23 substantially all health or medical coverage benefits.

24 c. Coverage required under this section shall be
25 for the treatment of neurobiological disorders and
26 underlying co-morbidity, for services provided by a
27 health professional licensed under chapter 147A, 148,
28 150A, 152, 154B, 154C, or 154D, for services provided
29 in a hospital, clinic, office, community mental health
30 center, health care facility, outpatient treatment
31 facility, residential treatment facility, halfway
32 house, or similar facility for the provision of health
33 care services, and for services provided pursuant to
34 the comprehensive program for treatment for substance
35 abuse maintained by the department of public health
36 pursuant to section 125.12 in a hospital licensed
37 under chapter 135B or a facility licensed under
38 chapter 125.

39 3. This section applies to the following classes
40 of third-party payment provider policies, contracts,
41 or plans delivered, issued for delivery, continued, or
42 renewed in this state on or after January 1, 2004:

43 a. Individual or group accident and sickness
44 insurance providing coverage on an expense-incurred
45 basis.

46 b. An individual or group hospital or medical
47 service contract issued pursuant to chapter 509, 514,
48 or 514A.

49 c. A plan established pursuant to chapter 509A for
50 public employees.

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

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

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

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

11 4. The commissioner shall adopt rules pursuant to
12 chapter 17A to administer this section.

13 Sec. 2. INSURANCE DIVISION STUDY IN CONJUNCTION
14 WITH STATE AUDITOR.

15 1. The insurance division of the department of
16 commerce, in conjunction with the auditor of state,
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18 neurobiological disorder coverage benefits in Iowa.

19 2. The study shall assess at least all of the
20 following:

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22 treatment of neurobiological disorders, and to
23 underlying co-morbidity.

24 b. An estimate of the impact of mandated coverage
25 on health care coverage benefit costs and
26 availability.

27 c. Actions taken by the division to ensure that
28 third-party payors subject to this Act are in
29 compliance.

30 d. Identification of any segments of the
31 population of this state that may be excluded from or
32 have limited access to treatment, including the number
33 of citizens that may be excluded from or have limited
34 access to treatment under third-party payor policies
35 or contracts provided by employers who receive
36 substantial revenue from public sources.

37 3. The insurance division shall submit a written
38 report to the general assembly on or before January
39 30, 2005.

40 Sec. 3. DEPARTMENT OF PUBLIC HEALTH STUDY.

41 1. The department of public health shall conduct a
42 two-year study of the mental health delivery system in
43 Iowa, beginning July 1, 2003.

44 2. The study shall include participation by at
45 least all of the following:

46 a. Representatives of professional health care
47 groups licensed under chapters 147A, 148, 150A, 152,
48 154B, 154C, and 154D.

49 b. Representatives of associations or other groups
50 representing hospitals, clinics, community mental

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1 health centers, community corrections and prison
2 corrections, health care facilities, outpatient
3 treatment facilities, and any other facility offering
4 mental health services.

5 c. County supervisors, representatives from the
6 department of human services, judges, mental health
7 advocates, and other state or county officials
8 involved in the provision of mental health services.

9 d. Consumers, family members, and patients.

10 3. The participants in the study shall assess the
11 relevant issues facing the mental health delivery
12 system in Iowa, and shall prepare a report with
13 recommendations for presentation to the general
14 assembly no later than November 1, 2005."

15 2. Title page, by striking lines 1 through 3, and
16 inserting the following:

17 "An Act requiring third-party providers of
18 policies, contracts, or plans that provide payment or
19 prepayment of health or medical expenses to provide
20 coverage for neurobiological disorders and underlying
21 co-morbidity based on rates, terms, and conditions
22 that are no more restrictive than the rates, terms,
23 and conditions for other health or medical conditions
24 under the policy, contract, or plan, and providing for
25 studies by the insurance division of the department of
26 commerce, and by the department of public health."

27 3. By renumbering, redesignating, and correcting
28 internal references as necessary.

By MARY A. LUNDBY

S-3291 FILED APRIL 23, 2003

Out of order 4/30/03

SENATE AMENDMENT TO
HOUSE FILE 543

H-1567

1 Amend House File 543, as passed by the House, as
2 follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. Section 514C.4, subsection 1,
6 unnumbered paragraph 1, Code 2003, is amended to read
7 as follows:

8 A policy or contract providing for third-party
9 payment or prepayment of health or medical expenses
10 shall provide minimum mammography examination
11 coverage, including, but not limited to, the following
12 classes of third-party payment provider contracts or
13 policies delivered, issued for delivery, continued, or
14 renewed in this state ~~on or after July 1, 1989.~~

15 Sec. 2. Section 514C.4, subsection 2, paragraphs a
16 and c, Code 2003, are amended to read as follows:

17 a. One baseline mammogram for any woman who is
18 thirty-five through thirty-nine years of age, or more
19 frequent mammograms if recommended by the woman's
20 physician.

21 c. A mammogram every year for any woman who is
22 fifty years of age or older, or more frequently if
23 recommended by the woman's physician.

24 Sec. 3. Section 514C.4, subsection 4, Code 2003,
25 is amended to read as follows:

26 4. The commissioner of insurance shall adopt rules
27 under chapter 17A necessary to implement this section
28 ~~no later than July 1, 1989.~~

29 2. Title page, by striking lines 1 through 3 and
30 inserting the following: "An Act relating to minimum
31 mammography examination coverage, and making related
32 changes."

33 3. By renumbering, redesignating, and correcting
34 internal references as necessary.

RECEIVED FROM THE SENATE

H-1567 FILED APRIL 30, 2003

House concurred 5/1/03

AN ACT

RELATING TO MINIMUM MAMMOGRAPHY EXAMINATION COVERAGE, AND MAKING RELATED CHANGES.

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

Section 1. Section 514C.4, subsection 1, unnumbered paragraph 1, Code 2003, is amended to read as follows:

A policy or contract providing for third-party payment or prepayment of health or medical expenses shall provide minimum mammography examination coverage, including, but not limited to, the following classes of third-party payment provider contracts or policies delivered, issued for delivery, continued, or renewed in this state ~~on or after July 17, 1989.~~

Sec. 2. Section 514C.4, subsection 2, paragraphs a and c, Code 2003, are amended to read as follows:

a. One baseline mammogram for any woman who is thirty-five through thirty-nine years of age, or more frequent mammograms if recommended by the woman's physician.

c. A mammogram every year for any woman who is fifty years of age or older, or more frequently if recommended by the woman's physician.

Sec. 3. Section 514C.4, subsection 4, Code 2003, is amended to read as follows:

4. The commissioner of insurance shall adopt rules under chapter 17A necessary to implement this section ~~no-later-than~~ ~~July-17-1989~~.

CHRISTOPHER C. RANTS
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 543, Eightieth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved _____, 2003

THOMAS J. VILSACK
Governor