

FILED

COMMERCE

SENATE FILE 2058

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Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to payment of health care coverage costs for  
2 state employees for biologically based mental illness  
3 treatment services.

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

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SF 2058 COMMERCE

1 Section 1. NEW SECTION. 509A.6A BIOLOGICALLY BASED  
2 MENTAL ILLNESS COVERAGE FOR STATE EMPLOYEES.

3 1. For purposes of this section:

4 a. "Biologically based disease" means any of the  
5 following:

6 (1) Schizophrenia.

7 (2) Bipolar disorders.

8 (3) Major depressive disorders.

9 (4) Schizo-affective disorders.

10 (5) Obsessive-compulsive disorders.

11 (6) Pervasive developmental disorders.

12 (7) Autistic disorders.

13 b. "State employee" means a person who is a paid employee  
14 of the state of Iowa, including a paid employee of the state  
15 board of regents.

16 c. "State health or medical group insurance plan" means a  
17 plan as defined in section 509A.13A.

18 2. Notwithstanding the uniformity of treatment  
19 requirements of section 514C.6, a state health or medical  
20 group insurance plan for state employees shall provide  
21 coverage benefits for treatment services for biologically  
22 based mental illness that shall be provided on terms and  
23 conditions that are no more restrictive than the terms and  
24 conditions for other medical conditions under such plan.

25 3. The commissioner, by rule, shall define the  
26 biologically based mental illnesses identified in subsection  
27 1. Definitions established by the commissioner shall be  
28 consistent with definitions provided in the most recent  
29 edition of the American psychiatric association's diagnostic  
30 and statistical manual of mental disorders, as such  
31 definitions may be amended from time to time. The  
32 commissioner may adopt the definitions provided in such manual  
33 by reference.

34 4. a. This section does not apply to coverage benefits  
35 for treatment services for alcohol or drug addiction.

1     b. This section does not apply to accident only, specified  
2 disease, short-term hospital or medical, hospital confinement  
3 indemnity, credit, dental, vision, Medicare supplement, long-  
4 term care, basic hospital and medical-surgical expense  
5 coverage as defined by the commissioner, disability income  
6 insurance coverage, coverage issued as a supplement to  
7 liability insurance, workers' compensation or similar  
8 insurance, or automobile medical payment insurance, or  
9 individual accident and sickness policies issued to  
10 individuals or to individual members of a member association.

11     5. A plan covered under this section may manage the  
12 benefits provided under this section provided through common  
13 methods including, but not limited to, providing payment of  
14 benefits or providing care and treatment under a capitated  
15 payment system, prospective reimbursement rate system,  
16 utilization control system, incentive system for the use of  
17 least restrictive and least costly levels of care, a preferred  
18 provider contract limiting choice of specific providers, or  
19 any other system, method, or organization designed to ensure  
20 that services are medically necessary and clinically  
21 appropriate.

22     6. a. A plan covered under this section shall not impose  
23 an aggregate annual or lifetime limit on biologically based  
24 mental illness coverage benefits unless the plan imposes an  
25 aggregate annual or lifetime limit on substantially all  
26 medical and surgical coverage benefits.

27     b. A plan covered under this section that imposes an  
28 aggregate annual or lifetime limit on substantially all  
29 medical and surgical coverage benefits shall not impose an  
30 aggregate annual or lifetime limit on biologically based  
31 mental illness coverage benefits which is less than the  
32 aggregate annual or lifetime limit imposed on substantially  
33 all medical and surgical coverage benefits.

34     7. A plan covered under this section shall at a minimum  
35 allow each covered individual thirty inpatient days and fifty-

1 two outpatient visits annually. The plan may also include  
2 deductibles, coinsurance, or copayments, provided the amounts  
3 and extents of such deductibles, coinsurance, or copayments  
4 applicable to other medical or surgical services coverage  
5 under the plan are the same. It is not a violation of this  
6 section if the plan excludes entirely from coverage, benefits  
7 for the cost of providing the following:

8 a. Marital, family, educational, developmental, or  
9 training services.

10 b. Care that is substantially custodial in nature.

11 c. Services and supplies that are not medically necessary  
12 and clinically appropriate.

13 d. Experimental treatments.

14 8. This section applies to plans established pursuant to  
15 this chapter that are delivered, issued for delivery,  
16 continued, or renewed in this state on or after January 1,  
17 2005.

18 EXPLANATION

19 This bill creates a new Code section 509A.6A, providing  
20 that a state health or medical group insurance plan for state  
21 employees shall provide coverage benefits for treatment  
22 services for biologically based mental illness on terms and  
23 conditions that are no more restrictive than the terms and  
24 conditions for other medical conditions under the plan.

25 The bill provides that the mandated coverage does not apply  
26 to coverage benefits for treatment services for alcohol or  
27 drug addiction.

28 The bill defines "biologically based mental illness" as  
29 psychiatric illnesses including schizophrenia, bipolar  
30 disorders, major depressive disorders, schizo-affective  
31 disorders, obsessive-compulsive disorders, pervasive  
32 developmental disorders, and autistic disorders. The  
33 commissioner is directed to establish by rule the definitions  
34 of the biologically based mental illnesses identified. The  
35 definitions established by the commissioner are to be

1 consistent with definitions provided in the most recent  
2 edition of the American psychiatric association's diagnostic  
3 and statistical manual of mental disorders, as such  
4 definitions may be amended from time to time. The  
5 commissioner may adopt the definitions provided in such manual  
6 by reference.

7 The bill defines a "state employee" as a person who is a  
8 paid employee of the state of Iowa, including a paid employee  
9 of the state board of regents. The bill also defines "state  
10 health or medical group insurance plan" to mean a plan as  
11 defined in Code section 509A.13A.

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

22 The bill provides that a plan covered under this Code  
23 section may manage the benefits provided through common  
24 methods including, but not limited to, providing payment of  
25 benefits or providing care and treatment under a capitated  
26 payment system, prospective reimbursement rate system,  
27 utilization control system, incentive system for the use of  
28 least restrictive and least costly levels of care, a preferred  
29 provider contract limiting choice of specific providers, or  
30 any other system, method, or organization designed to ensure  
31 that services are medically necessary and clinically  
32 appropriate.

33 The bill provides that a plan covered under this Code  
34 section shall not impose an aggregate annual or lifetime limit  
35 on biologically based mental illness coverage benefits unless

1 the plan imposes an aggregate annual or lifetime limit on  
2 substantially all medical and surgical coverage benefits, and  
3 a plan that imposes an aggregate annual or lifetime limit on  
4 substantially all medical and surgical coverage benefits shall  
5 not impose an aggregate annual or lifetime limit on  
6 biologically based mental illness coverage benefits that is  
7 less than that imposed on substantially all medical and  
8 surgical coverage benefits.

9 The bill requires a plan covered under this Code section to  
10 allow for a minimum of 30 inpatient and 52 outpatient visits  
11 annually for each person covered under the plan. Any  
12 deductibles, coinsurance, or copayments under the plan must be  
13 the same as the deductibles, coinsurance, or copayments  
14 applicable to other medical or surgical services covered under  
15 the plan. The plan may exclude all of the following: (1)  
16 marital, family, educational, developmental, or training  
17 services; (2) care that is substantially custodial in nature;  
18 (3) services and supplies that are not medically necessary and  
19 clinically appropriate; and (4) experimental treatments.

20 The bill provides that the new Code section created applies  
21 to plans established pursuant to Code chapter 509A that are  
22 delivered, issued for delivery, continued, or renewed in this  
23 state on or after January 1, 2005.

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