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COMMERCE, REGULATION & LABOR

HOUSE FILE 89

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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 alcohol or  
3 substance abuse treatment services.

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

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1 Section 1. NEW SECTION. 514C.22 MANDATED COVERAGE FOR  
2 MENTAL HEALTH CONDITIONS.

3 1. For purposes of this section, unless the context  
4 otherwise requires:

5 a. "Mental health condition" means a condition or disorder  
6 involving mental illness or alcohol or substance abuse that  
7 falls under any of the diagnostic categories listed in the  
8 mental disorders section of the international classification  
9 of disease, as periodically revised.

10 b. "Rates, terms, and conditions" means any lifetime  
11 payment limits, deductibles, copayments, coinsurance, and any  
12 other cost-sharing requirements, out-of-pocket limits, visit  
13 limitations, and any other financial component of benefits  
14 coverage that affects the covered individual.

15 2. a. Notwithstanding section 514C.6, a policy or  
16 contract providing for third-party payment or prepayment of  
17 health or medical expenses shall provide coverage benefits for  
18 mental health conditions based on rates, terms, and conditions  
19 which are no more restrictive than the rates, terms, and  
20 conditions for coverage benefits provided for other health or  
21 medical conditions under the policy or contract.

22 Additionally, any rates, terms, and conditions involving  
23 deductibles, copayments, coinsurance, and any other cost-  
24 sharing requirements shall be cumulative for coverage of both  
25 mental health conditions and other health or medical  
26 conditions under the policy or contract.

27 b. Coverage required under this subsection shall be as  
28 follows:

29 (1) For the treatment of mental illness, coverage shall be  
30 for services provided by a licensed mental health  
31 professional, or services provided in a licensed hospital or  
32 health facility.

33 (2) For the treatment of alcohol or substance abuse,  
34 coverage shall be for services provided by a substance abuse  
35 counselor, as approved by the department of human services, a

1 licensed health facility providing a program for the treatment  
2 of alcohol or substance abuse approved by the department of  
3 human services, or a substance abuse treatment and  
4 rehabilitation facility, as licensed by the department of  
5 public health pursuant to chapter 125.

6 3. This section applies to the following classes of third-  
7 party payment provider contracts or policies delivered, issued  
8 for delivery, continued, or renewed in this state on or after  
9 January 1, 2006:

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

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

14 c. A plan established pursuant to chapter 509A for public  
15 employees.

16 d. An individual or group health maintenance organization  
17 contract regulated under chapter 514B.

18 e. An individual or group Medicare supplemental policy,  
19 unless coverage pursuant to such policy is preempted by  
20 federal law.

21 f. Any other entity engaged in the business of insurance,  
22 risk transfer, or risk retention, which is subject to the  
23 jurisdiction of the commissioner.

24 g. An organized delivery system licensed by the director  
25 of public health.

26 4. The commissioner shall adopt rules to administer this  
27 section after consultation with the mental health insurance  
28 advisory committee.

29 a. The commissioner shall appoint members to a mental  
30 health insurance advisory committee. Members shall include  
31 all sectors of society impacted by issues associated with  
32 coverage of mental health treatment by third-party payors  
33 including, but not limited to, representatives of the  
34 insurance industry, small and large employers, employee  
35 representatives including labor, individual consumers, health

1 care providers, and other groups and individuals that may be  
2 identified by the insurance division of the department of  
3 commerce.

4 b. The committee shall meet upon the request of the  
5 commissioner to review rules proposed under this section by  
6 the commissioner, and to make suggestions as appropriate.

7 EXPLANATION

8 This bill creates new Code section 514C.22 and provides  
9 that a policy or contract providing for third-party payment or  
10 prepayment of health or medical expenses must provide coverage  
11 benefits for mental health conditions based on rates, terms,  
12 and conditions which are no more restrictive than the rates,  
13 terms, and conditions associated with coverage benefits  
14 provided for other conditions under the policy or contract.  
15 Mental health conditions are defined to mean a condition or  
16 disorder involving mental illness or alcohol or substance  
17 abuse that falls under any of the diagnostic categories listed  
18 in the mental disorders section of the international  
19 classification of disease, as periodically updated.

20 The bill also requires the insurance commissioner to adopt  
21 rules to administer this section, after consultation with the  
22 new mental health insurance advisory committee, whose members  
23 are appointed by the commissioner from business, consumer, and  
24 health groups.

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