

House File 68 - Introduced

HOUSE FILE _____
BY ZIRKELBACH

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring insurance coverage benefits for veterans for
2 treatment of mental illness and substance abuse.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1081HH 83
5 av/nh/5

PAG LIN

1 1 Section 1. NEW SECTION. 514C.24 MENTAL ILLNESS AND
1 2 SUBSTANCE ABUSE TREATMENT COVERAGE FOR VETERANS.
1 3 1. Notwithstanding the uniformity of treatment
1 4 requirements of section 514C.6, a group policy or contract
1 5 providing for third-party payment or prepayment of health or
1 6 medical expenses issued by a carrier, as defined in section
1 7 513B.2, or by an organized delivery system authorized under
1 8 1993 Iowa Acts, chapter 158, shall provide coverage benefits
1 9 to an insured who is a veteran for treatment of mental illness
1 10 and substance abuse if either of the following is satisfied:
1 11 a. The policy or contract is issued to an employer who on
1 12 at least fifty percent of the employer's working days during
1 13 the preceding calendar year employed more than fifty full-time
1 14 equivalent employees. In determining the number of full-time
1 15 equivalent employees of an employer, employers who are
1 16 affiliated or who are able to file a consolidated tax return
1 17 for purposes of state taxation shall be considered one
1 18 employer.
1 19 b. The policy or contract is issued to a small employer as
1 20 defined in section 513B.2, and such policy or contract
1 21 provides coverage benefits for the treatment of mental illness
1 22 and substance abuse.
1 23 2. Notwithstanding the uniformity of treatment
1 24 requirements of section 514C.6, a plan established pursuant to
1 25 chapter 509A for public employees shall provide coverage
1 26 benefits to an insured who is a veteran for treatment of
1 27 mental illness and substance abuse as defined in subsection 3.
1 28 3. For purposes of this section:
1 29 a. "Mental illness" means mental disorders as defined by
1 30 the commissioner by rule.
1 31 b. "Substance abuse" means a pattern of pathological use
1 32 of alcohol or a drug that causes impairment in social or
1 33 occupational functioning, or that produces physiological
1 34 dependency evidenced by physical tolerance or by physical
1 35 symptoms when the alcohol or drug is withdrawn.
2 1 c. "Veteran" means the same as defined in section 35.1.
2 2 4. The commissioner, by rule, shall define "mental
2 3 illness" consistent with definitions provided in the most
2 4 recent edition of the American psychiatric association's
2 5 diagnostic and statistical manual of mental disorders, as the
2 6 definitions may be amended from time to time. The
2 7 commissioner may adopt the definitions provided in such manual
2 8 by reference.
2 9 5. This section shall not apply to accident only,
2 10 specified disease, short-term hospital or medical, hospital
2 11 confinement indemnity, credit, dental, vision, Medicare
2 12 supplement, long-term care, basic hospital and
2 13 medical=surgical expense coverage as defined by the
2 14 commissioner, disability income insurance coverage, coverage
2 15 issued as a supplement to liability insurance, workers'
2 16 compensation or similar insurance, or automobile medical
2 17 payment insurance, or individual accident and sickness
2 18 policies issued to individuals or to individual members of a
2 19 member association.
2 20 6. A carrier, organized delivery system, or plan

2 21 established pursuant to chapter 509A may manage the benefits
2 22 provided through common methods including but not limited to
2 23 providing payment of benefits or providing care and treatment
2 24 under a capitated payment system, prospective reimbursement
2 25 rate system, utilization control system, incentive system for
2 26 the use of least restrictive and least costly levels of care,
2 27 a preferred provider contract limiting choice of specific
2 28 providers, or any other system, method, or organization
2 29 designed to assure services are medically necessary and
2 30 clinically appropriate.

2 31 7. a. A group policy or contract or plan covered under
2 32 this section shall not impose an aggregate annual or lifetime
2 33 limit on mental illness or substance abuse coverage benefits
2 34 unless the policy or contract or plan imposes an aggregate
2 35 annual or lifetime limit on substantially all medical and
3 1 surgical coverage benefits.

3 2 b. A group policy or contract or plan covered under this
3 3 section that imposes an aggregate annual or lifetime limit on
3 4 substantially all medical and surgical coverage benefits shall
3 5 not impose an aggregate annual or lifetime limit on mental
3 6 illness or substance abuse coverage benefits which is less
3 7 than the aggregate annual or lifetime limit imposed on
3 8 substantially all medical and surgical coverage benefits.

3 9 8. A group policy or contract or plan covered under this
3 10 section shall at a minimum allow for thirty inpatient days and
3 11 fifty-two outpatient visits annually. The policy or contract
3 12 or plan may also include deductibles, coinsurance, or
3 13 copayments, provided the amounts and extent of such
3 14 deductibles, coinsurance, or copayments applicable to other
3 15 medical or surgical services coverage under the policy or
3 16 contract or plan are the same. It is not a violation of this
3 17 section if the policy or contract or plan excludes entirely
3 18 from coverage benefits for the cost of providing the
3 19 following:

3 20 a. Care that is substantially custodial in nature.

3 21 b. Services and supplies that are not medically necessary
3 22 or clinically appropriate.

3 23 c. Experimental treatments.

3 24 9. This section applies to third-party payment provider
3 25 policies or contracts and plans established pursuant to
3 26 chapter 509A delivered, issued for delivery, continued, or
3 27 renewed in this state on or after January 1, 2010.

3 28 EXPLANATION

3 29 This bill creates a new Code section 514C.24 and provides
3 30 that a group policy or contract providing for third-party
3 31 payment or prepayment of health or medical expenses issued by
3 32 a carrier, as defined in Code section 513B.2, or by an
3 33 organized delivery system authorized under 1993 Iowa Acts,
3 34 chapter 158, shall provide coverage benefits to an insured who
3 35 is a veteran for treatment of mental illness and substance
4 1 abuse, if the policy or contract is issued to an employer who
4 2 on at least 50 percent of the employer's working days during
4 3 the preceding calendar year employed more than 50 full-time
4 4 equivalent employees; if the policy or contract is issued to a
4 5 small employer as defined in Code section 513B.2, and such
4 6 policy or contract provides coverage benefits for the
4 7 treatment of mental illness or substance abuse; or if the plan
4 8 is established pursuant to Code chapter 509A for public
4 9 employees.

4 10 The bill defines "mental illness" as mental disorders as
4 11 defined by the commissioner by rule. The commissioner is
4 12 directed to establish the definition of mental illness
4 13 consistent with definitions provided in the most recent
4 14 edition of the American psychiatric association's diagnostic
4 15 and statistical manual of mental disorders, as such
4 16 definitions may be amended from time to time. The
4 17 commissioner may adopt the definitions provided in such manual
4 18 by reference.

4 19 "Substance abuse" is defined as a pattern of pathological
4 20 use of alcohol or a drug that causes impairment in social or
4 21 occupational functioning, or that produces physiological
4 22 dependency evidenced by physical tolerance or by physical
4 23 symptoms when the alcohol or drug is withdrawn.

4 24 For the purposes of the bill, "veteran" means the same as
4 25 defined in Code section 35.1.

4 26 The bill provides that a carrier, organized delivery
4 27 system, or plan established pursuant to Code chapter 509A may
4 28 manage the benefits provided through common methods including
4 29 but not limited to providing payment of benefits or providing
4 30 care and treatment under a capitated payment system,
4 31 prospective reimbursement rate system, utilization control

4 32 system, incentive system for the use of least restrictive and
4 33 least costly levels of care, a preferred provider contract
4 34 limiting choice of specific providers, or any other system,
4 35 method, or organization designed to assure services are
5 1 medically necessary and clinically appropriate.
5 2 The bill provides that the new Code section created applies
5 3 to third-party payment provider contracts or policies and
5 4 public employer plans delivered, issued for delivery,
5 5 continued, or renewed in this state on or after January 1,
5 6 2010.
5 7 LSB 1081HH 83
5 8 av/nh/5