

**House File 93 - Introduced**

HOUSE FILE 93

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**A BILL FOR**

1 An Act relating to third-party payment of health care coverage  
2 costs for mental health conditions, including alcohol  
3 or substance abuse treatment services, creation of a  
4 mental health insurance advisory committee, and including  
5 applicability provisions and a repeal.

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

1 Section 1. NEW SECTION. 514C.29 Mandated coverage for  
2 mental health conditions — mental health insurance advisory  
3 committee.

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

6 a. *"Mental health condition"* means a condition or disorder  
7 involving mental illness or alcohol or substance abuse as  
8 defined by the commissioner of insurance, by rule, consistent  
9 with conditions or disorders that fall under any of the  
10 diagnostic categories listed in the mental disorders section of  
11 the international classification of diseases, as periodically  
12 revised. The commissioner may adopt the lists or definitions  
13 provided in such classification of disease by reference.

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

19 2. a. Notwithstanding section 514C.6, a policy, contract,  
20 or plan providing for third-party payment or prepayment of  
21 health or medical expenses shall provide coverage benefits for  
22 mental health conditions based on rates, terms, and conditions  
23 which are no more restrictive than the rates, terms, and  
24 conditions for coverage benefits provided for other health  
25 or medical conditions under the policy, contract, or plan.  
26 Additionally, any rates, terms, and conditions involving  
27 deductibles, copayments, coinsurance, and any other cost-  
28 sharing requirements shall be cumulative for coverage of both  
29 mental health conditions and other health or medical conditions  
30 under the policy, contract, or plan.

31 b. Coverage required under this subsection shall be as  
32 follows:

33 (1) For the treatment of mental illness, coverage shall be  
34 for services provided by a licensed mental health professional  
35 or services provided in a licensed hospital or health facility.

1 (2) For the treatment of alcohol or substance abuse,  
2 coverage shall be for services provided by a substance  
3 abuse counselor, as approved by the department of human  
4 services; a licensed health facility providing a program for  
5 the treatment of alcohol or substance abuse approved by the  
6 department of human services; or a substance abuse treatment  
7 and rehabilitation facility, as licensed by the department of  
8 public health pursuant to chapter 125.

9 3. This section applies to the following classes of  
10 third-party payment provider contracts, policies, or plans  
11 delivered, issued for delivery, continued, or renewed in this  
12 state on or after January 1, 2012:

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

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

17 c. A plan established pursuant to chapter 509A for public  
18 employees.

19 d. An individual or group health maintenance organization  
20 contract regulated under chapter 514B.

21 e. An individual or group Medicare supplemental policy,  
22 unless coverage pursuant to such policy is preempted by federal  
23 law.

24 f. Any other entity engaged in the business of insurance,  
25 risk transfer, or risk retention, which is subject to the  
26 jurisdiction of the commissioner.

27 g. An organized delivery system licensed by the director of  
28 public health.

29 4. The commissioner shall adopt rules to administer this  
30 section after consultation with the mental health insurance  
31 advisory committee.

32 a. The commissioner shall appoint members to a mental  
33 health insurance advisory committee. Members shall include all  
34 sectors of society impacted by issues associated with coverage  
35 of mental health treatment by third-party payors including

1 but not limited to representatives of the insurance industry,  
2 small and large employers, employee representatives including  
3 labor, individual consumers, health care providers, and other  
4 groups and individuals that may be identified by the insurance  
5 division of the department of commerce.

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

9 Sec. 2. REPEAL. Section 514C.22, Code 2011, is repealed  
10 effective January 1, 2012.

11

EXPLANATION

12 This bill creates new Code section 514C.29 and provides that  
13 a policy, contract, or plan providing for third-party payment  
14 or prepayment of health or medical expenses must provide  
15 coverage benefits for mental health conditions based on rates,  
16 terms, and conditions which are no more restrictive than the  
17 rates, terms, and conditions associated with coverage benefits,  
18 provided for other conditions under the policy, contract, or  
19 plan. "Mental health conditions" are to be defined, by rule,  
20 by the commissioner of insurance consistent with conditions  
21 or disorders involving mental illness or alcohol or substance  
22 abuse that fall under any of the diagnostic categories  
23 listed in the mental disorders section of the international  
24 classification of diseases, as periodically updated.

25 The bill also requires the commissioner of insurance  
26 to adopt rules to administer the new Code section, after  
27 consultation with a new mental health insurance advisory  
28 committee, whose members are appointed by the commissioner from  
29 business, consumer, and health groups.

30 The bill applies to third-party payment provider contracts,  
31 policies, or plans delivered, issued forth for delivery,  
32 continued, or renewed in this state on or after January 1,  
33 2012.

34 Code section 514C.22, which currently mandates coverage  
35 for certain biologically based mental illnesses, is repealed

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1 effective January 1, 2012.