

JAN 14 2005
HUMAN RESOURCES

HOUSE FILE 64
BY PETERSEN

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

A BILL FOR

1 An Act relating to mandated coverage for mental health
2 conditions, including substance abuse treatment services.
3 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. The new
20 section applies to policies or contracts delivered, issued,
21 continued, or renewed in this state on or after January 1,
22 2006.

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

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