

HOUSE BILL NO. 149

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE DAVIS BY REQUEST

Introduced: 3/19/99

Referred: Health, Education and Social Services, Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to insurance coverage for treatment of mental illness and
2 substance abuse; repealing provisions of ch. 8, SLA 1997, that terminates required
3 mental health benefit coverage; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 21.36.090(d) is amended to read:

6 (d) Except to the extent necessary to comply with [AS 21.42.365 AND]
7 AS 21.56, a person may not practice or permit unfair discrimination against a person
8 who provides a service covered under a group health insurance policy that extends
9 coverage on an expense incurred basis, or under a group service or indemnity type
10 contract issued by a nonprofit corporation, if the service is within the scope of the
11 provider's occupational license. In this subsection, "provider" means a state licensed
12 physician, dentist, osteopath, optometrist, chiropractor, nurse midwife, advanced nurse
13 practitioner, naturopath, physical therapist, occupational therapist, marital and family
14 therapist, psychologist, psychological associate, or licensed clinical social worker, or

1 certified direct-entry midwife.

2 * **Sec. 2.** AS 21.54.150 is repealed and reenacted to read:

3 **Sec. 21.54.150. Coverage for treatment of mental illness and substance**
4 **abuse.** (a) A health care insurer that offers, issues for delivery, delivers, or renews
5 in this state a health care insurance plan providing coverage for five or more
6 employees of an employer in the group market shall provide a covered employee or
7 the employee's dependent coverage for treatment of mental illness and coverage for
8 treatment of substance abuse.

9 (b) A health care insurer that offers a health care insurance plan providing
10 coverage under this section may not

11 (1) require that a covered employee or the employee's dependent be
12 responsible for a deductible, coinsurance, or copayment that is different for the
13 determination of benefits relating to treating mental illness or substance abuse than for
14 the determination of benefits for treating another covered illness;

15 (2) use a different claim payment methodology in determining the
16 benefits relating to treating mental illness or substance abuse than that used in
17 determining the benefits for treating another covered illness;

18 (3) require prenotification of treatment or a second opinion unless the
19 requirement is applicable to other covered major illnesses;

20 (4) limit coverage by provisions of the insurance contract that are not
21 applicable to other covered major illnesses, including provisions concerning preexisting
22 illnesses or provisions requiring that the exact date of onset be known;

23 (5) limit treatment services under the insurance contract to either an
24 inpatient or outpatient service;

25 (6) deny reimbursement for actual services rendered solely because
26 treatment was interrupted or not completed; or

27 (7) impose annual or lifetime benefit limits, maximum out-of-pocket
28 expenses, day limits, or number-of-visit limits that are different for the determination
29 of benefits relating to treating mental illness or substance abuse than for the
30 determination of benefits relating to treating other covered illnesses.

31 (c) Notwithstanding (a) of this section, a health care insurer is not required to

1 provide the coverage specified in (a) of this section to an employer who employs fewer
 2 than 20 permanent, full-time employees for each working day during each of at least
 3 20 calendar workweeks in either the current calendar year or the preceding calendar
 4 year, but shall offer that coverage to the employer as optional coverage.

5 (d) A health insurance plan that provides coverage for treatment of mental
 6 illness through a managed care organization

7 (1) may not diminish or negate the provisions of this section;

8 (2) must provide timely and appropriate access to care;

9 (3) must provide adequate quantity, location, and specialty distribution
 10 of health care providers; and

11 (4) may not use administrative or clinical protocols that reduce access
 12 to medically necessary treatment for an insured.

13 (e) In this section,

14 (1) "mental illness" means a medical disorder described in the most
 15 recent edition of the Diagnostic and Statistical Manual of Mental Disorders published
 16 by the American Psychiatric Association, except for a medical disorder related to a
 17 relationship, workplace problem, or other situation that has been classified in the
 18 edition with a "V" code;

19 (2) "substance abuse" means an illness characterized by

20 (A) a physiological or psychological dependency, or both, on
 21 alcoholic beverages or controlled substances as defined in AS 11.71.900; or

22 (B) habitual lack of self-control in using alcoholic beverages or
 23 controlled substances to the extent that the person's health is substantially
 24 impaired or the person's social or economic function is substantially disrupted;

25 (3) "treatment of mental illness" means inpatient or outpatient services
 26 provided by

27 (A) a mental health professional as that term is defined in
 28 AS 47.30.915; or

29 (B) a person with substantial experience in the field of mental
 30 illness who is licensed under AS 08.29 or AS 08.63;

31 (4) "treatment of substance abuse" means medical care, including

1 detoxification, as an inpatient or outpatient at a facility that is either approved under
2 AS 47.37.140 or licensed for treatment of substance abuse.

3 * **Sec. 3.** AS 21.87.340 is amended to read:

4 **Sec. 21.87.340. Other provisions applicable.** In addition to the provisions
5 contained or referred to previously in this chapter, the following chapters and
6 provisions of this title also apply with respect to service corporations to the extent
7 applicable and not in conflict with the express provisions of this chapter and the
8 reasonable implications of the express provisions, and, for the purposes of the
9 application, the corporations shall be considered to be mutual "insurers":

- 10 (1) AS 21.03;
- 11 (2) AS 21.06;
- 12 (3) AS 21.09, except AS 21.09.090;
- 13 (4) AS 21.18.010;
- 14 (5) AS 21.18.030;
- 15 (6) AS 21.18.040;
- 16 (7) AS 21.18.120;
- 17 (8) AS 21.21.321;
- 18 (9) AS 21.36;
- 19 (10) AS 21.42.345 - 21.42.355 [21.42.365] and 21.42.375 - 21.42.395;
- 20 (11) AS 21.51.120;
- 21 (12) AS 21.53;
- 22 (13) AS 21.54;
- 23 (14) AS 21.56;
- 24 (15) AS 21.69.400;
- 25 (16) AS 21.69.520;
- 26 (17) AS 21.69.600, 21.69.620, and 21.69.630;
- 27 (18) AS 21.78;
- 28 (19) AS 21.89.040;
- 29 (20) AS 21.89.060;
- 30 (21) AS 21.90.

31 * **Sec. 4.** AS 21.42.365 is repealed.

- 1 * **Sec. 5.** Sections 116 and 122, ch. 81, SLA 1997, are repealed.
- 2 * **Sec. 6.** This Act takes effect July 1, 1999.