

**SENATE BILL NO. 19**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY SENATOR ELTON

Introduced: 1/19/99

Referred: Labor and Commerce, HES

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to insurance coverage for treatment of mental illness; and  
2 providing for an effective date."

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

4 \* **Section 1. FINDINGS.** The legislature finds that

5 (1) mental illness is real, can be reliably diagnosed, and is treatable;

6 (2) treatment of mental illness is cost-effective;

7 (3) there is increasing scientific evidence that severe mental illness, including  
8 schizophrenia, bipolar disorders, and major depression, is biologically based;

9 (4) most employment-based health benefit plans provide coverage for mental  
10 illness at levels far below coverage of other physical illness;

11 (5) limitations in coverage of mental illness have resulted in inadequate  
12 treatment for persons with these illnesses;

13 (6) inadequate treatment can cause relapse and untold suffering for individuals  
14 with mental illness;

1 (7) lack of adequate treatment and services for persons with mental illness has  
2 contributed significantly to homelessness, involvement with the criminal justice system, and  
3 other significant social problems experienced by individuals with mental illness;

4 (8) the failure to provide adequate coverage for mental illness has resulted in  
5 significant increased expenditures for state and local governments; and

6 (9) other states that have adopted mental illness parity legislation have  
7 experienced minimal additional costs if medically necessary services were well managed.

8 \* **Sec. 2.** AS 21.42 is amended by adding a new section to read:

9 **Sec. 21.42.390. Coverage for treatment of mental illness.** (a) A health care  
10 insurer that offers, issues for delivery, delivers, or renews in this state a health care  
11 insurance plan shall provide coverage for the diagnosis and medically necessary  
12 treatment of a biologically based severe mental illness as required under (b) of this  
13 section.

14 (b) The minimum coverage required under (a) of this section includes

15 (1) outpatient services;

16 (2) 30 days of inpatient treatment in each 12-month benefit period;

17 (3) 30 partial hospitalization treatment days in each 12-month benefit  
18 period;

19 (4) the right to trade up to 10 inpatient days for an additional 20 partial  
20 hospitalization treatment days at a ratio of two to one; and

21 (5) prescription drugs if the policy or contract includes coverage for  
22 prescription drugs.

23 (c) Coverage required under this section

24 (1) may be subject to standard policy provisions applicable to other  
25 benefits, including maximum lifetime benefit limits, copayment provisions, deductible  
26 provisions, case management, utilization review, prior authorization, or other cost-  
27 sharing requirements;

28 (2) does not apply to a contract to provide medical services under  
29 AS 47.07 entered into between the state and a health care insurer;

30 (3) may be offered as a rider or in a separate policy;

31 (4) may not be interpreted to restrict coverage only to those services

1 provided by a physician or to alter the scope of practice of a health care provider;

2 (5) may be provided through a separate specialized health care service  
3 plan or a mental health plan; the director may not require an additional or specialized  
4 license for a plan described in this paragraph;

5 (6) shall be provided by an insurer in its entire service area and in  
6 emergency situations as required by law; enrollees receiving benefits provided through  
7 preferred provider arrangements may be required to secure all or part of their mental  
8 health services within those geographic areas served by the health insurance plan.

9 (d) In this section, "biologically based severe mental illness" includes  
10 schizophrenia, schizoaffective disorder, bipolar disorder, major depressive disorder,  
11 panic disorder, and obsessive-compulsive disorder.

12 \* **Sec. 3.** This Act takes effect July 1, 1999.