

Offered: 5/7/86  
Referred: Finance

Original sponsors: Davis and Koponen

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 313 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to insurance coverage for the treat-  
7 ment of a mental or nervous condition."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 21.42 is amended by adding a new section to read:

10 Sec. 21.42.365. COVERAGE FOR TREATMENT OF A MENTAL OR NERVOUS  
11 CONDITION. (a) An insurer that is licensed to transact disability  
12 insurance in the state, that offers policies for major medical cover-  
13 age on an expense-incurred basis, and that issues for delivery,  
14 delivers, or renews a health insurance policy in the state after  
15 January 1, 1987, shall offer the insured an option to receive the  
16 following coverage for treatment of a mental or nervous condition of  
17 the insured or other person covered by the insured's health insurance  
18 policy:

19 (1) 45 days a year of inpatient treatment for each covered  
20 individual;

21 (2) a total of 50 hours a year of outpatient treatment or  
22 office visits for each covered individual, accumulated in any incre-  
23 ments of time.

24 (b) The health insurance policy may impose reasonable contract  
25 limitations, but may not require that the insured pay a higher deduct-  
26 ible or co-payment for a cost for treatment of a mental or nervous  
27 condition than for a cost for treatment of another condition or ill-  
28 ness.

29 (c) If an insured declines the coverage offered by an insurer

1 under this section, the insurer may offer the insured other coverage  
2 for treatment of a mental or nervous condition.

3 (d) In this section

4 (1) "co-payment" means the portion of the cost to be paid  
5 by the insured;

6 (2) "cost" means the lesser of the following:

7 (A) the actual charge for the treatment received for a  
8 mental or nervous condition; or

9 (B) the usual, customary and reasonable charge for the  
10 treatment;

11 (3) "health insurance policy" means a hospital or medical  
12 expense policy, or a nonprofit health care corporation plan;

13 (4) "inpatient treatment" means continuous treatment during  
14 a 24-hour period in

15 (A) the psychiatric unit of a general hospital that is  
16 either licensed under AS 18.20 or located and licensed in another  
17 state;

18 (B) a psychiatric hospital that is either licensed  
19 under AS 18.20 or located and licensed in another state; or

20 (C) a hospital that is located in

21 (i) the state and specifically exempt under  
22 AS 18.20.020 from the licensing requirements of the state;

23 or

24 (ii) another state and specifically exempt from  
25 the licensing requirements of that state;

26 (5) "mental or nervous condition" means a mental disorder  
27 identified in

28 (A) the Diagnostic and Statistical Manual of Mental  
29 Disorders (Third Edition) published by the American Psychiatric

1 Association; or

2 (B) the LCD-9-CM (First Edition) published by the  
3 Commission on Professional and Hospital Activities;

4 (6) "office visit" means treatment that is not inpatient  
5 treatment or outpatient treatment and that is provided by

6 (A) a psychiatrist who is licensed as a physician in  
7 the state and certified, or eligible for certification, in psy-  
8 chiatry by the American Board of Psychiatry and Neurology;

9 (B) a physician who is employed by the federal govern-  
10 ment in the state and certified or eligible for certification in  
11 psychiatry by the American Board of Psychiatry and Neurology; or

12 (C) a psychologist or psychological associate licensed  
13 under AS 08.86;

14 (7) "outpatient treatment" means treatment that is not  
15 inpatient treatment and that is provided

16 (A) in the outpatient department of

17 (i) a hospital that is licensed under AS 18.20 or  
18 that is specifically exempt under AS 18.20.020 from the  
19 licensing requirements of the state;

20 (ii) a hospital that is located in another state  
21 and that is either licensed or specifically exempt from the  
22 licensing requirements of that state; or

23 (iii) an entity that is designated by the Depart-  
24 ment of Health and Social Services as the organizational  
25 unit in a geographical area to receive funds under AS 47.-  
26 30.520 - 47.30.620; and

27 (B) by one or more of the following, or by a person  
28 who is under the direct supervision of one or more of the follow-  
29 ing, has a master's or doctorate degree in psychology, nursing,

1 or social work, and is employed by the same health care facility  
2 as the person or persons providing the direct supervision,

3 (i) a psychiatrist who is licensed as a physician  
4 in the state and certified, or eligible for certification,  
5 in psychiatry by the American Board of Psychiatry and Neu-  
6 rology;

7 (ii) a physician who is employed by the federal  
8 government in the state and certified or eligible for certi-  
9 fication in psychiatry by the American Board of Psychiatry  
10 and Neurology; or

11 (iii) a psychologist licensed under AS 08.86.

12 \* Sec. 2. AS 21.36.090(d) is amended to read:

13 (d) Except to the extent necessary to comply with AS 21.42.365,  
14 a [A] person may not practice or permit unfair discrimination against  
15 a person who provides a service covered under a group disability  
16 policy that extends coverage on an expense incurred basis, or under a  
17 group service or indemnity type contract issued by a nonprofit corpo-  
18 ration, if the service is within the scope of the provider's occupa-  
19 tional license. In this subsection, "provider" means a state licensed  
20 physician, dentist, osteopath, optometrist, chiropractor, or nurse  
21 midwife.

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

23 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the  
24 provisions contained or referred to previously in this chapter, the  
25 following chapters and provisions of this title also apply with re-  
26 spect to service corporations to the extent applicable and not in  
27 conflict with the express provisions of this chapter and the reason-  
28 able implications of the express provisions, and for the purposes of  
29 the application the corporations shall be considered to be mutual

- 1           "insurers":
- 2                   (1) AS 21.03
- 3                   (2) AS 21.06
- 4                   (3) AS 21.09, except AS 21.09.090
- 5                   (4) AS 21.18.010
- 6                   (5) AS 21.18.030
- 7                   (6) AS 21.18.040
- 8                   (7) AS 21.18.120
- 9                   (8) AS 21.21.321
- 10                  (9) AS 21.36
- 11                  (10) AS 21.69.400
- 12                  (11) AS 21.69.520
- 13                  (12) AS 21.69.600, 21.69.620, and 21.69.630
- 14                  (13) AS 21.78
- 15                  (14) AS 21.90
- 16                  (15) AS 21.42.345 - 21.42.365 [AND 21.42.355]
- 17                  (16) AS 21.89.040
- 18                  (17) AS 21.89.060.