

Offered: 4/24/86
Referred: Health, Education and
Social Services

Original sponsor: Faiks

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE SENATE

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CS FOR SENATE BILL NO. 295 (L&C)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act requiring insurers to offer certain coverage
for the treatment of a mental or nervous condition in
certain health insurance policies."

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

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

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Sec. 21.42.365. COVERAGE FOR TREATMENT OF A MENTAL OR NERVOUS

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CONDITION. (a) An insurer that issues for delivery, delivers, or
renews a health insurance policy in the state after January 1, 1987,
shall offer the insured an option to receive the following minimum
coverage for treatment of a mental or nervous condition of the insured
or other person who would otherwise be covered by the insured's health
insurance policy:

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

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(2) a total of 50 hours a year of outpatient treatment for
each covered individual, accumulated in any increments of time.

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

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(c) In this section

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(1) "co-payment" means the portion of the cost to be paid

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by the insured;

- 1 (2) "cost" means the lesser of the following:
- 2 (A) the actual charge for the treatment received for a
- 3 mental or nervous condition; or
- 4 (B) the usual, customary and reasonable charge for the
- 5 treatment;
- 6 (3) "health insurance policy" means a hospital or medical
- 7 expense policy, or a nonprofit health care corporation plan;
- 8 (4) "inpatient treatment" means continuous treatment during
- 9 a 24-hour period in the psychiatric unit of a general hospital li-
- 10 censed under AS 18.20, a psychiatric hospital that is licensed under
- 11 AS 18.20, or a hospital in the state that is specifically exempt under
- 12 AS 18.20.020 from the licensing requirements of the state;
- 13 (5) "mental or nervous condition" means a mental disorder
- 14 identified in
- 15 (A) the Diagnostic and Statistical Manual of Mental
- 16 Disorders (Third Edition) published by the American Psychiatric
- 17 Association; or
- 18 (B) the LCD-9-CM (First Edition) published by the
- 19 Commission on Professional and Hospital Activities;
- 20 (6) "outpatient treatment" means treatment that is not
- 21 inpatient treatment and that is provided by one or more of the follow-
- 22 ing, or by a person who is under the direct supervision of one or more
- 23 of the following, has a master's or doctorate degree in psychology,
- 24 nursing, or social work, and is employed by the same health care
- 25 facility as the person or persons providing the direct supervision,
- 26 (A) a psychiatrist who is licensed as a physician in
- 27 the state and certified, or eligible for certification, in psych-
- 28 iatry by the American Board of Psychiatry and Neurology;
- 29 (B) a physician who is employed by the federal

1 government in the state and certified or eligible for certi-
2 fication in psychiatry by the American Board of Psychiatry and
3 Neurology; or

4 (C) a psychologist licensed under AS 08.86.

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

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

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

16 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the
17 provisions contained or referred to previously in this chapter, the
18 following chapters and provisions of this title also apply with re-
19 spect to service corporations to the extent applicable and not in
20 conflict with the express provisions of this chapter and the reason-
21 able implications of the express provisions, and for the purposes of
22 the application the corporations shall be considered to be mutual
23 "insurers":

- 24 (1) AS 21.03
25 (2) AS 21.06
26 (3) AS 21.09, except AS 21.09.090
27 (4) AS 21.18.010
28 (5) AS 21.18.030
29 (6) AS 21.18.040

- 1 (7) AS 21.18.120
- 2 (8) AS 21.21.321
- 3 (9) AS 21.36
- 4 (10) AS 21.69.400
- 5 (11) AS 21.69.520
- 6 (12) AS 21.69.600, 21.69.620, and 21.69.630
- 7 (13) AS 21.78
- 8 (14) AS 21.90
- 9 (15) AS 21.42.345 - 21.42.365 [AND 21.42.355]
- 10 (16) AS 21.89.040
- 11 (17) AS 21.89.060.