

Offered: 5/12/86  
Referred: Rules

Original sponsor: Faiks

1 IN THE SENATE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 295 (HESS)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

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) After January 1, 1987, an insurer that is licensed to  
12 transact disability insurance in the state and that offers, issues for  
13 delivery, delivers, or renews a policy for major medical coverage on  
14 an expense-incurred basis in the state, and a hospital or medical  
15 service corporation that is authorized under AS 21.87 to operate in  
16 the state and that offers or renews a subscriber's contract for major  
17 medical coverage in the state, shall offer the insured or subscriber  
18 an option to receive the following coverage for treatment of a mental  
19 or nervous condition of the insured or subscriber, and other person  
20 covered by the policy or contract:

21 (1) 45 days a year of inpatient treatment for each covered  
22 individual;

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

26 (b) The insurer or service corporation offering coverage under  
27 this section may impose reasonable contract limitations, but may not  
28 require that the insured or subscriber pay a higher deductible or  
29 co-payment for a cost for treatment of a mental or nervous condition

1 than for a cost for treatment of another condition or illness.

2 (c) If an insured or a subscriber declines the coverage offered  
3 under this section, the insurer or service corporation may offer the  
4 insured or subscriber other coverage for treatment of a mental or  
5 nervous condition.

6 (d) In this section

7 (1) "co-payment" means the portion of the cost to be paid  
8 by the insured or subscriber;

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

10 (A) the actual charge for the treatment received for a  
11 mental or nervous condition; or

12 (B) the usual, customary and reasonable charge for the  
13 treatment;

14 (3) "inpatient treatment" means continuous treatment during  
15 a 24-hour period in

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

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

21 (C) a hospital that is located in

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

24 or

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

27 (4) "major medical coverage" means a disability insurance  
28 contract, or a subscriber contract, that provides benefits for hospi-  
29 tal and medical care with potential lifetime maximum benefits for the

1 insured or subscriber of at least \$10,000;

2 (5) "mental or nervous condition" means a mental disorder  
3 identified in

4 (A) the Diagnostic and Statistical Manual of Mental  
5 Disorders (Third Edition) published by the American Psychiatric  
6 Association; or

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

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

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

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

17 (C) a psychologist or psychological associate licensed  
18 under AS 08.86;

19 (7) "outpatient treatment" means treatment that is not  
20 inpatient treatment and that is provided

21 (A) in the outpatient department of

22 (i) a hospital that is licensed under AS 18.20 or  
23 that is specifically exempt under AS 18.20.020 from the  
24 licensing requirements of the state;

25 (ii) a hospital that is located in another state  
26 and that is either licensed or specifically exempt from the  
27 licensing requirements of that state; or

28 (iii) an entity that is designated by the Depart-  
29 ment of Health and Social Services as the organizational

1 unit in a geographical area to receive funds under AS 47.-  
2 30.520 - 47.30.620; and

3 (B) by one or more of the following, or by a person  
4 who is under the direct supervision of one or more of the follow-  
5 ing, has a master's or doctorate degree in psychology, nursing,  
6 or social work, and is employed by the same health care facility  
7 as the person or persons providing the direct supervision,

8 (i) a psychiatrist who is licensed as a physician  
9 in the state and certified, or eligible for certification,  
10 in psychiatry by the American Board of Psychiatry and Neu-  
11 rology;

12 (ii) a physician who is employed by the federal  
13 government in the state and certified or eligible for certi-  
14 fication in psychiatry by the American Board of Psychiatry  
15 and Neurology; or

16 (iii) a psychologist licensed under AS 08.86.

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

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

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

28 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the  
29 provisions contained or referred to previously in this chapter, the

1 following chapters and provisions of this title also apply with re-  
2 spect to service corporations to the extent applicable and not in  
3 conflict with the express provisions of this chapter and the reason-  
4 able implications of the express provisions, and for the purposes of  
5 the application the corporations shall be considered to be mutual  
6 "insurers":

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