

Offered: 3/31/87
Referred: Finance

5-0356B

Original sponsors: Faiks and Kerttula

1 IN THE SENATE BY THE HEALTH, EDUCATION AND
2 CS FOR SENATE BILL NO. 67 (HESS) SOCIAL SERVICES COMMITTEE
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST 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 authorized under AS 21.09 to offer, issue
12 for delivery, deliver, or renew a group disability insurance policy
13 for major medical coverage on an expense-incurred basis in the state,
14 or a hospital or medical service corporation authorized under AS 21.87
15 to offer or renew a group contract for major medical coverage in the
16 state, shall offer the insured or subscriber an option to receive the
17 following coverage for treatment of a mental or nervous condition of
18 the insured, subscriber, or other person covered by the policy or
19 contract:
20 (1) 45 days a year of inpatient treatment for each covered
21 individual;
22 (2) a total of 50 outpatient treatment or office visits a
23 year for each covered individual.
24 (b) The insurer or service corporation offering coverage under
25 this section may impose reasonable contract limitations but may not
26 require that the insured or subscriber pay a higher deductible or
27 co-payment for the cost of treating a mental or nervous condition than
28 for the cost of treating another condition or illness.
29 (c) If an insured or a subscriber declines the coverage offered

1 under this section, the insurer or service corporation may offer the
2 insured or subscriber other coverage for treating a mental or nervous
3 condition.

4 (d) In this section

5 (1) "co-payment" means the portion of the cost in excess of
6 the deductible portion to be paid by the insured or subscriber;

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

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

10 (B) the usual, customary, and reasonable charge for
11 the treatment as determined by the contract of coverage;

12 (3) "deductible" means the portion of covered costs that
13 must be incurred before benefits become payable;

14 (4) "inpatient treatment" means treatment of a hospital
15 registered bed patient for whom the hospital makes a daily room charge
16 in

17 (A) a general hospital that is either licensed under
18 AS 18.20 or located and licensed in another 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 (5) "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 (6) "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 ICD-9-CM (First Edition) published by the
8 Commission on Professional and Hospital Activities;

9 (7) "office visit" means treatment that is not inpatient
10 treatment or outpatient treatment and that is provided in the profes-
11 sional offices of

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

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

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

20 (8) "outpatient treatment" means treatment that is not
21 inpatient treatment and that is provided

22 (A) in the outpatient department of

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

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

29 (iii) an entity that is designated by the

1 Department of Health and Social Services as the
2 organizational unit in a geographical area to receive funds
3 under AS 47.30.520 - 47.30.620; and

4 (B) by one or more of the following,

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

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

13 (iii) a psychologist licensed under AS 08.86; or

14 (iv) a person who works in conjunction with one or
15 more licensed mental health care providers and has a
16 master's or doctoral degree in psychology, nursing, or
17 social work, and is employed by the same health care facil-
18 ity providing treatment.

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

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

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

1 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the
2 provisions contained or referred to previously in this chapter, the
3 following chapters and provisions of this title also apply with re-
4 spect to service corporations to the extent applicable and not in
5 conflict with the express provisions of this chapter and the reason-
6 able implications of the express provisions, and for the purposes of
7 the application the corporations shall be considered to be mutual
8 "insurers":

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

26 * Sec. 4. AS 21.42.365, enacted by sec. 1 of this Act, applies to group
27 disability insurance policies and hospital or medical service subscriber
28 contracts entered into or renewed after January 1, 1988.