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Original sponsors: Faiks and Kerttula

1 IN THE SENATE BY THE HEALTH, EDUCATION AND
2 HOUSE CS FOR CS FOR SENATE BILL NO. 67 (HESS) SOCIAL SERVICES COMMITTEE
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH 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 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, must provide the insured or subscriber the following coverage
17 for treatment of a mental or nervous condition of the insured, sub-
18 scriber, or other person covered by the policy or contract:
19 (1) 45 days a year of inpatient treatment for each covered
20 individual;
21 (2) a total of 50 hours of outpatient treatment or office
22 visits a year for each covered individual.
23 (b) The insurer or service corporation providing coverage under
24 this section may impose reasonable contract limitations but may not
25 require that the insured or subscriber pay a higher deductible or
26 co-payment for the cost of treating a mental or nervous condition than
27 for the cost of treating another condition or illness.
28 (c) In this section
29 (1) "consulting relationship" means a relationship that

1 involves review of treatment plans and goals and in-person patient
2 contact on at least a quarterly basis;

3 (2) "co-payment" means the portion of the cost in excess of
4 the deductible portion to be paid by the insured or subscriber;

5 (3) "cost" means the lesser of the following:

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

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

10 (4) "deductible" means the portion of covered costs that
11 must be incurred before benefits become payable;

12 (5) "inpatient treatment" means treatment of a hospital
13 registered bed patient for whom the hospital makes a daily room charge
14 in

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

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

19 (C) a hospital that is located in

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

22 or

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

25 (6) "major medical coverage" means a disability insurance
26 contract, or a subscriber contract, that provides benefits for hospi-
27 tal and medical care with potential lifetime maximum benefits for the
28 insured or subscriber of at least \$10,000;

29 (7) "mental or nervous condition" means a mental disorder

1 identified in

2 (A) the most current edition of the Diagnostic and
3 Statistical Manual of Mental Disorders published by the American
4 Psychiatric Association; or

5 (B) the most current edition of the LCD-9-CM published
6 by the Commission on Professional and Hospital Activities;

7 (8) "national professional organization" means the National
8 Association of Social Workers; the National Registry of Health Care
9 Providers; and the American Board of Examiners in clinical social
10 work;

11 (9) "office visit" means treatment that is not inpatient
12 treatment or outpatient treatment and that is provided through the
13 professional offices of

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

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

20 (C) a psychologist or psychological associate licensed
21 by a state;

22 (D) a person who works in a consulting relationship
23 with a mental health care provider licensed by a state and has a
24 masters or doctoral degree in psychology, nursing, or social
25 work; or

26 (E) a clinical social worker who is

27 (i) licensed or certified as a clinical social
28 worker by a state; or

29 (ii) certified by a national professional

1 organization offering certification of clinical social
2 workers;

3 (10) "outpatient treatment" means treatment that is not
4 inpatient treatment and that is provided

5 (A) in the outpatient department of

6 (i) a hospital that is licensed under AS 18.20 or
7 that is specifically exempt under AS 18.20.020 from the
8 licensing requirements of the state;

9 (ii) a hospital that is located in another state
10 and that is either licensed or specifically exempt from the
11 licensing requirements of that state; or

12 (iii) an entity that is designated by the Depart-
13 ment of Health and Social Services as an organizational unit
14 in a geographical area to receive funds under AS 47.30.520 -
15 47.30.620; and

16 (B) by one or more of the following:

17 (i) a psychiatrist who is licensed by a state as
18 a physician and certified, or eligible for certification, in
19 psychiatry by the American Board of Psychiatry and Neu-
20 rology;

21 (ii) a physician who is employed by the federal
22 government in a state and certified or eligible for certi-
23 fication in psychiatry by the American Board of Psychiatry
24 and Neurology;

25 (iii) a psychologist licensed by a state;

26 (iv) a person who works in a consulting relation-
27 ship with one or more licensed mental health care providers
28 licensed by a state and has a masters or doctoral degree in
29 psychology, nursing, or social work, and is employed by the

1 same health care facility providing treatment; or
2 (v) a clinical social worker who is licensed or
3 certified as a clinical social worker by a state or cer-
4 tified by a national professional organization offering
5 certification of clinical social workers.

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

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

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

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

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

- 1 (6) AS 21.18.040
- 2 (7) AS 21.18.120
- 3 (8) AS 21.21.321
- 4 (9) AS 21.36
- 5 (10) AS 21.69.400
- 6 (11) AS 21.69.520
- 7 (12) AS 21.69.600, 21.69.620, and 21.69.630
- 8 (13) AS 21.78
- 9 (14) AS 21.90
- 10 (15) AS 21.42.345 - 21.42.365 [AS 21.42.345 AND 21.42.355]
- 11 (16) AS 21.89.040
- 12 (17) AS 21.89.060.

13 * Sec. 4. AS 21.42.365, enacted by sec. 1 of this Act, applies to group
14 disability insurance policies and hospital or medical service subscriber
15 contracts entered into or renewed on or after January 1, 1989.