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Social Services and Finance

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Original sponsor: Ellis

1 IN THE HOUSE

BY THE LABOR AND  
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 92 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH 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. 21.42.375. 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) Notwithstanding (a) of this section,

29 (1) an insurer who offers, issues, or renews a group

1 disability insurance policy for major medical coverage to the state is  
2 not required to provide the coverage required under (a) of this sec-  
3 tion to persons drawing benefits under a state retirement system; and

4 (2) if the insured or subscriber is an employer who em-  
5 ployed fewer than 20 permanent, full-time employees for each working  
6 day during each of at least 20 calendar workweeks in either the cur-  
7 rent calendar year or the preceding calendar year, the insurer, hospi-  
8 tal, or medical service corporation is not required to provide the  
9 coverage specified in (a) of this section to the insured or subscriber  
10 but shall offer that coverage to the insured or subscriber as optional  
11 coverage.

12 (d) In this section

13 (1) "consulting relationship" means a relationship that  
14 involves review of treatment plans and goals and in-person patient  
15 contact on at least a quarterly basis;

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

18 (3) "cost" means the lowest of the following:

19 (A) the actual charge for the treatment received for a  
20 mental or nervous condition;

21 (B) the usual, customary, and reasonable charge for  
22 the treatment as determined by the contract of coverage; or

23 (C) the charge agreed to by contract between the  
24 provider and the insurer, hospital service corporation, or med-  
25 ical service corporation;

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

28 (5) "inpatient treatment" means treatment of a hospital  
29 registered bed patient for whom the hospital makes a daily room charge

1 in

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

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

6 (C) a hospital that is located in

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

9 or

10 (ii) another state and specifically exempt from  
11 the licensing requirements of that state;

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

16 (7) "mental or nervous condition" means a mental disorder  
17 identified in

18 (A) the most current edition of the Diagnostic and  
19 Statistical Manual of Mental Disorders published by the American  
20 Psychiatric Association; or

21 (B) the most current edition of the ICD-9-CM published  
22 by the Commission on Professional and Hospital Activities;

23 (8) "national professional organization" means the National  
24 Association of Social Workers; the National Registry of Health Care  
25 Providers; the American Association for Marriage and Family Therapy;  
26 the American Association of Pastoral Counselors; and the American  
27 Board of Examiners in Clinical Social Work;

28 (9) "office visit" means treatment that is not inpatient  
29 treatment or outpatient treatment and that is provided through the

1 professional offices of

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

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

8 (C) a psychologist or psychological associate licensed  
9 by a state;

10 (D) a person who works in a consulting relationship  
11 with a mental health care provider licensed by a state and has a  
12 masters or doctoral degree in psychology, nursing, or social  
13 work; or

14 (E) a clinical social worker who is

15 (i) licensed or certified as a clinical social  
16 worker by a state; or

17 (ii) certified by a national professional orga-  
18 nization offering certification of clinical social workers;

19 (10) "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 an organizational unit

1 in a geographical area to receive funds under AS 47.30.520 -  
2 47.30.620; and

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

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

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

12 (iii) a psychologist licensed by a state;

13 (iv) a person who works in a consulting relation-  
14 ship with one or more licensed mental health care providers  
15 licensed by a state and has a masters or doctoral degree in  
16 psychology, nursing, or social work, and is employed by the  
17 same health care facility providing treatment; or

18 (v) a clinical social worker who is licensed or  
19 certified as a clinical social worker by a state or cer-  
20 tified by a national professional organization offering  
21 certification of clinical social workers.

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

23 (d) Except to the extent necessary to comply with AS 21.42.365  
24 or 21.42.375, a person may not practice or permit unfair discrimina-  
25 tion against a person who provides a service covered under a group  
26 disability policy that extends coverage on an expense incurred basis,  
27 or under a group service or indemnity type contract issued by a non-  
28 profit corporation, if the service is within the scope of the pro-  
29 vider's occupational license. In this subsection, "provider" means a

1 state licensed physician, dentist, osteopath, optometrist, chiro-  
2 practor, nurse midwife, advanced nurse practitioner, naturopath,  
3 physical therapist, or occupational therapist.

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

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

- 13 (1) AS 21.03
- 14 (2) AS 21.06
- 15 (3) AS 21.09, except AS 21.09.090
- 16 (4) AS 21.18.010
- 17 (5) AS 21.18.030
- 18 (6) AS 21.18.040
- 19 (7) AS 21.18.120
- 20 (8) AS 21.21.321
- 21 (9) AS 21.36
- 22 (10) AS 21.69.400
- 23 (11) AS 21.69.520
- 24 (12) AS 21.69.600, 21.69.620, and 21.69.630
- 25 (13) AS 21.78
- 26 (14) AS 21.90
- 27 (15) AS 21.42.345 - 21.42.365, and 21.42.375
- 28 (16) AS 21.89.040
- 29 (17) AS 21.89.060.

1       \* Sec. 4. AS 21.42.375, enacted by sec. 1 of this Act, applies to group  
2 disability insurance policies and hospital or medical service subscriber  
3 contracts entered into or renewed on or after January 1, 1990.