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1 IN THE SENATE

BY FAIKS

2

SENATE BILL NO. 36

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, if the insured or
29 subscriber is an employer who employed fewer than 20 permanent, full-

1 time employees for each working day during each of at least 20 calen-
2 dar workweeks in either the current calendar year or the preceding
3 calendar year, the insurer, hospital, or medical service corporation
4 is not required to provide the coverage specified in (a) of this
5 section to the insured or subscriber but shall offer that coverage to
6 the insured or subscriber as optional coverage.

7 (d) In this section

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

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

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

14 (A) the actual charge for the treatment received for a
15 mental or nervous condition;

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

18 (C) the charge agreed to by contract between the
19 provider and the insurer, hospital service corporation, or med-
20 ical service corporation;

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

23 (5) "inpatient treatment" means treatment of a hospital
24 registered bed patient for whom the hospital makes a daily room charge
25 in

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

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

1 (C) a hospital that is located in
2 (i) the state and specifically exempt under
3 AS 18.20.020 from the licensing requirements of the state;
4 or
5 (ii) another state and specifically exempt from
6 the licensing requirements of that state;
7 (6) "major medical coverage" means a disability insurance
8 contract, or a subscriber contract, that provides benefits for hospi-
9 tal and medical care with potential lifetime maximum benefits for the
10 insured or subscriber of at least \$10,000;
11 (7) "mental or nervous condition" means a mental disorder
12 identified in
13 (A) the most current edition of the Diagnostic and
14 Statistical Manual of Mental Disorders published by the American
15 Psychiatric Association; or
16 (B) the most current edition of the LCD-9-CM published
17 by the Commission on Professional and Hospital Activities;
18 (8) "national professional organization" means the National
19 Association of Social Workers; the National Registry of Health Care
20 Providers; the American Association for Marriage and Family Therapy;
21 the American Association of Pastoral Counselors; and the American
22 Board of Examiners in Clinical Social Work;
23 (9) "office visit" means treatment that is not inpatient
24 treatment or outpatient treatment and that is provided through the
25 professional offices of
26 (A) a psychiatrist who is licensed by a state as a
27 physician and certified, or eligible for certification, in psy-
28 chiatry by the American Board of Psychiatry and Neurology;
29 (B) a physician who is employed by the federal

1 government in a state and certified or eligible for certification
2 in psychiatry by the American Board of Psychiatry and Neurology;

3 (C) a psychologist or psychological associate licensed
4 by a state;

5 (D) a person who works in a consulting relationship
6 with a mental health care provider licensed by a state and has a
7 masters or doctoral degree in psychology, nursing, or social
8 work; or

9 (E) a clinical social worker who is

10 (i) licensed or certified as a clinical social
11 worker by a state; or

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

14 (10) "outpatient treatment" means treatment that is not
15 inpatient treatment and that is provided

16 (A) in the outpatient department of

17 (i) a hospital that is licensed under AS 18.20 or
18 that is specifically exempt under AS 18.20.020 from the
19 licensing requirements of the state;

20 (ii) a hospital that is located in another state
21 and that is either licensed or specifically exempt from the
22 licensing requirements of that state; or

23 (iii) an entity that is designated by the Depart-
24 ment of Health and Social Services as an organizational unit
25 in a geographical area to receive funds under AS 47.30.520 -
26 47.30.620; and

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

28 (i) a psychiatrist who is licensed by a state as
29 a physician and certified, or eligible for certification, in

1 psychiatry by the American Board of Psychiatry and Neu-
2 rology;

3 (ii) a physician who is employed by the federal
4 government in a state and certified or eligible for certi-
5 fication in psychiatry by the American Board of Psychiatry
6 and Neurology;

7 (iii) a psychologist licensed by a state;

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

13 (v) a clinical social worker who is licensed or
14 certified as a clinical social worker by a state or cer-
15 tified by a national professional organization offering
16 certification of clinical social workers.

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 or 21.42.375, a person may not practice or permit unfair
20 discrimination against a person who provides a service covered under a
21 group disability policy that extends coverage on an expense incurred
22 basis, or under a group service or indemnity type contract issued by a
23 nonprofit corporation, if the service is within the scope of the
24 provider's occupational license. In this subsection, "provider" means
25 a state licensed physician, dentist, osteopath, optometrist,
26 chiropractor, or nurse midwife, naturopath, physical therapist, or
27 occupational therapist.

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

29 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the

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

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

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