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Original sponsor: Faiks

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

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

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 hospital
29 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 ICD-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.
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