

SENATE FILE 3 COMMERCE
BY TINSMAN

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to payment of health care coverage costs for
2 state employees for biologically based mental illness
3 treatment services.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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COMMERCE

1 Section 1. NEW SECTION. 509A.6A BIOLOGICALLY BASED
2 MENTAL ILLNESS COVERAGE FOR STATE EMPLOYEES.

3 1. For purposes of this section:

4 a. "Biologically based mental illness" means any of the
5 following:

6 (1) Schizophrenia.

7 (2) Bipolar disorders.

8 (3) Major depressive disorders.

9 (4) Schizo-affective disorders.

10 (5) Obsessive-compulsive disorders.

11 (6) Pervasive developmental disorders.

12 (7) Autistic disorders.

13 b. "State employee" means a person who is a paid employee
14 of the state of Iowa, including a paid employee of the state
15 board of regents.

16 c. "State health or medical group insurance plan" means a
17 plan as defined in section 509A.13A.

18 2. Notwithstanding the uniformity of treatment
19 requirements of section 514C.6, a state health or medical
20 group insurance plan for state employees shall provide
21 coverage benefits for treatment services for biologically
22 based mental illness that shall be provided on terms and
23 conditions that are no more restrictive than the terms and
24 conditions for other medical conditions under such plan.

25 3. The commissioner, by rule, shall define the
26 biologically based mental illnesses identified in subsection
27 1. Definitions established by the commissioner shall be
28 consistent with definitions provided in the most recent
29 edition of the American psychiatric association's diagnostic
30 and statistical manual of mental disorders, as such
31 definitions may be amended from time to time. The
32 commissioner may adopt the definitions provided in such manual
33 by reference.

34 4. a. This section does not apply to coverage benefits
35 for treatment services for alcohol or drug addiction.

1 b. This section does not apply to accident only, specified
2 disease, short-term hospital or medical, hospital confinement
3 indemnity, credit, dental, vision, Medicare supplement, long-
4 term care, basic hospital and medical-surgical expense
5 coverage as defined by the commissioner, disability income
6 insurance coverage, coverage issued as a supplement to
7 liability insurance, workers' compensation or similar
8 insurance, or automobile medical payment insurance, or
9 individual accident and sickness policies issued to
10 individuals or to individual members of a member association.

11 5. A plan covered under this section may manage the
12 benefits provided under this section provided through common
13 methods including, but not limited to, providing payment of
14 benefits or providing care and treatment under a capitated
15 payment system, prospective reimbursement rate system,
16 utilization control system, incentive system for the use of
17 least restrictive and least costly levels of care, a preferred
18 provider contract limiting choice of specific providers, or
19 any other system, method, or organization designed to ensure
20 that services are medically necessary and clinically
21 appropriate.

22 6. a. A plan covered under this section shall not impose
23 an aggregate annual or lifetime limit on biologically based
24 mental illness coverage benefits unless the plan imposes an
25 aggregate annual or lifetime limit on substantially all
26 medical and surgical coverage benefits.

27 b. A plan covered under this section that imposes an
28 aggregate annual or lifetime limit on substantially all
29 medical and surgical coverage benefits shall not impose an
30 aggregate annual or lifetime limit on biologically based
31 mental illness coverage benefits which is less than the
32 aggregate annual or lifetime limit imposed on substantially
33 all medical and surgical coverage benefits.

34 7. A plan covered under this section shall at a minimum
35 allow each covered individual thirty inpatient days and fifty-

1 two outpatient visits annually. The plan may also include
2 deductibles, coinsurance, or copayments, provided the amounts
3 and extents of such deductibles, coinsurance, or copayments
4 applicable to other medical or surgical services coverage
5 under the plan are the same. It is not a violation of this
6 section if the plan excludes entirely from coverage, benefits
7 for the cost of providing the following:

8 a. Marital, family, educational, developmental, or
9 training services.

10 b. Care that is substantially custodial in nature.

11 c. Services and supplies that are not medically necessary
12 and clinically appropriate.

13 d. Experimental treatments.

14 8. This section applies to plans established pursuant to
15 this chapter that are delivered, issued for delivery,
16 continued, or renewed in this state on or after January 1,
17 2006.

18 EXPLANATION

19 This bill creates a new Code section 509A.6A, providing
20 that a state health or medical group insurance plan for state
21 employees shall provide coverage benefits for treatment
22 services for biologically based mental illness on terms and
23 conditions that are no more restrictive than the terms and
24 conditions for other medical conditions under the plan.

25 The bill provides that the mandated coverage does not apply
26 to coverage benefits for treatment services for alcohol or
27 drug addiction.

28 The bill defines "biologically based mental illness" as
29 schizophrenia, bipolar disorders, major depressive disorders,
30 schizo-affective disorders, obsessive-compulsive disorders,
31 pervasive developmental disorders, and autistic disorders.

32 The commissioner is directed to establish by rule the
33 definitions of the biologically based mental illnesses
34 identified. The definitions established by the commissioner
35 are to be consistent with definitions provided in the most

1 recent edition of the American psychiatric association's
2 diagnostic and statistical manual of mental disorders, as such
3 definitions may be amended from time to time. The
4 commissioner may adopt the definitions provided in such manual
5 by reference.

6 The bill defines a "state employee" as a person who is a
7 paid employee of the state of Iowa, including a paid employee
8 of the state board of regents. The bill also defines "state
9 health or medical group insurance plan" to mean a plan as
10 defined in Code section 509A.13A.

11 The bill does not apply to accident only, specified
12 disease, short-term hospital or medical, hospital confinement
13 indemnity, credit, dental, vision, Medicare supplement, long-
14 term care, basic hospital and medical-surgical expense
15 coverage as defined by the commissioner, disability income
16 insurance coverage, coverage issued as a supplement to
17 liability insurance, workers' compensation or similar
18 insurance, or automobile medical payment insurance, or
19 individual accident and sickness policies issued to
20 individuals or to individual members of a member association.

21 The bill provides that a plan covered under this Code
22 section may manage the benefits provided through common
23 methods including, but not limited to, providing payment of
24 benefits or providing care and treatment under a capitated
25 payment system, prospective reimbursement rate system,
26 utilization control system, incentive system for the use of
27 least restrictive and least costly levels of care, a preferred
28 provider contract limiting choice of specific providers, or
29 any other system, method, or organization designed to ensure
30 that services are medically necessary and clinically
31 appropriate.

32 The bill provides that a plan covered under this Code
33 section shall not impose an aggregate annual or lifetime limit
34 on biologically based mental illness coverage benefits unless
35 the plan imposes an aggregate annual or lifetime limit on

1 substantially all medical and surgical coverage benefits, and
2 a plan that imposes an aggregate annual or lifetime limit on
3 substantially all medical and surgical coverage benefits shall
4 not impose an aggregate annual or lifetime limit on
5 biologically based mental illness coverage benefits that is
6 less than that imposed on substantially all medical and
7 surgical coverage benefits.

8 The bill requires a plan covered under this Code section to
9 allow for a minimum of 30 inpatient and 52 outpatient visits
10 annually for each person covered under the plan. Any
11 deductibles, coinsurance, or copayments under the plan must be
12 the same as the deductibles, coinsurance, or copayments
13 applicable to other medical or surgical services covered under
14 the plan. The plan may exclude all of the following: (1)
15 marital, family, educational, developmental, or training
16 services; (2) care that is substantially custodial in nature;
17 (3) services and supplies that are not medically necessary and
18 clinically appropriate; and (4) experimental treatments.

19 The bill provides that the new Code section created applies
20 to plans established pursuant to Code chapter 509A that are
21 delivered, issued for delivery, continued, or renewed in this
22 state on or after January 1, 2006.

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