

Bill No. CS for SB 1584

Amendment No. ____

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Grant moved the following amendment:

Senate Amendment (with title amendment)

On page 2, line 20, delete that line

and insert:

Section 2. Sections 2-9 of this act may be cited as the "Dianne Steele Mental Illness Insurance Parity Act."

Section 3. Section 627.668, Florida Statutes, is amended to read:

627.668 Optional coverage for mental and nervous disorders required; exception.--

(1) Every insurer, health maintenance organization, and nonprofit hospital and medical service plan corporation transacting group health insurance or providing prepaid health care in this state shall make available to the policyholder as part of the application, for an appropriate additional premium under a group hospital and medical expense-incurred insurance policy, under a group prepaid health care contract, and under a group hospital and medical service plan contract, the benefits or level of benefits specified in subsection (2) for

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1 the necessary care and treatment of mental and nervous
2 disorders, as defined in the standard nomenclature of the
3 American Psychiatric Association, except that this section
4 does not apply to coverage for serious mental illness as
5 defined in s. 627.6681. The coverage required in this section
6 is subject to the right of the applicant for a group policy or
7 contract to select any alternative benefits or level of
8 benefits as may be offered by the insurer, health maintenance
9 organization, or service plan corporation provided that, if
10 alternate inpatient, outpatient, or partial hospitalization
11 benefits are selected, such benefits shall not be less than
12 the level of benefits required under paragraph (2)(a),
13 paragraph (2)(b), or paragraph (2)(c), respectively.

14 (2) Under group policies or contracts, inpatient
15 hospital benefits, partial hospitalization benefits, and
16 outpatient benefits provided under this section, consisting of
17 durational limits, dollar amounts, deductibles, and
18 coinsurance factors must ~~shall~~ not be less favorable than for
19 physical illness generally, except that:

20 (a) Inpatient benefits may be limited to not less than
21 30 days per benefit year as defined in the policy or contract.
22 If inpatient hospital benefits are provided beyond 30 days per
23 benefit year, the durational limits, dollar amounts, and
24 coinsurance factors thereto need not be the same as applicable
25 to physical illness generally.

26 (b) Outpatient benefits may be limited to \$1,000 for
27 consultations with a licensed physician, a psychologist
28 licensed pursuant to chapter 490, a mental health counselor
29 licensed pursuant to chapter 491, a marriage and family
30 therapist licensed pursuant to chapter 491, and a clinical
31 social worker licensed pursuant to chapter 491. If benefits

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1 are provided beyond the \$1,000 per benefit year, the
2 durational limits, dollar amounts, and coinsurance factors
3 thereof need not be the same as applicable to physical illness
4 generally.

5 (c) Partial hospitalization benefits shall be provided
6 under the direction of a licensed physician. For purposes of
7 this part, the term "partial hospitalization services" is
8 defined as those services offered by a program accredited by
9 the Joint Commission on Accreditation of Hospitals (JCAH) or
10 in compliance with equivalent standards. Alcohol
11 rehabilitation programs accredited by the Joint Commission on
12 Accreditation of Hospitals or approved by the state and
13 licensed drug abuse rehabilitation programs shall also be
14 qualified providers under this section. In any benefit year,
15 if partial hospitalization services or a combination of
16 inpatient and partial hospitalization are utilized, the total
17 benefits paid for all such services shall not exceed the cost
18 of 30 days of inpatient hospitalization for psychiatric
19 services, including physician fees, which prevail in the
20 community in which the partial hospitalization services are
21 rendered. If partial hospitalization services benefits are
22 provided beyond the limits set forth in this paragraph, the
23 durational limits, dollar amounts, and coinsurance factors
24 thereof need not be the same as those applicable to physical
25 illness generally.

26 (3) Insurers that provide coverage under this section
27 and s. 627.6681 must maintain strict confidentiality regarding
28 psychiatric and psychotherapeutic records submitted to an
29 insurer for the purpose of reviewing a claim for benefits
30 payable under this section. These records submitted to an
31 insurer are subject to the limitations of s. 455.241, relating

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1 to the furnishing of patient records.

2 Section 4. Section 627.6681, Florida Statutes, is
3 created to read:

4 627.6681 Coverage for serious mental illness
5 required.--

6 (1) Every insurer and health maintenance organization
7 transacting group health insurance or providing prepaid health
8 care in this state shall provide as part of such insurance or
9 health care under a group hospital and medical
10 expense-incurred insurance policy, under a group prepaid
11 health care contract, or under a group health maintenance
12 organization contract, coverage for the treatment of serious
13 mental illness, which treatment is determined to be medically
14 necessary.

15 (2) Under group policies or contracts, inpatient
16 hospital benefits, partial hospitalization benefits, and
17 outpatient benefits consisting of durational limits, dollar
18 amounts, deductibles, and coinsurance factors must be the same
19 for serious mental illness as for physical illness generally.
20 Notwithstanding the provisions of this subsection, an insurer
21 or health maintenance organization may limit inpatient
22 coverage to 45 days per year and may limit outpatient coverage
23 to 60 visits per year.

24 (3) This section does not apply to any group health
25 plan, or group health insurance covered in connection with a
26 group health plan, for any plan year of a small employer as
27 defined in s. 627.6699.

28 (4) As used in this section, the term "serious mental
29 illness" means the following psychiatric illnesses as defined
30 by the American Psychiatric Association in the most current
31 edition of the Diagnostic and Statistical Manual:

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1 schizophrenia, schizoaffective disorder, panic disorder,
2 bipolar affective disorder, major depressive disorder, and
3 specific obsessive-compulsive disorder.

4 (5) Notwithstanding other provisions of this section,
5 chapter 641, s. 627.6471, or s. 627.6472, an insurer or health
6 maintenance organization may require that the covered services
7 required by this section be provided by an exclusive provider
8 of health care, or a group of exclusive providers of health
9 care, which has entered into a written agreement with the
10 insurer or health maintenance organization to provide benefits
11 under this section. The insurer or health maintenance
12 organization may condition the payment of such benefits, in
13 whole or in part, on the use of such exclusive providers.

14 (6) The insurer or health maintenance organization may
15 directly or indirectly enter into a capitation contract with
16 an exclusive provider of health care or a group of exclusive
17 providers of health care to provide benefits under this
18 section. In providing the benefits under this section, the
19 insurer or health maintenance organization may impose other
20 appropriate financial incentives, peer review, and utilization
21 requirements to reduce service costs and utilization without
22 compromising quality of care.

23 (7) This section does not apply with respect to a
24 group health plan, or health insurance coverage offered in
25 connection with a group health plan, if the application of
26 this section to such plan or coverage results in an increase
27 in the cost under the plan or for such coverage of at least 2
28 percent, as determined by the department upon a filing by an
29 insurer or health maintenance organization demonstrating such
30 an increase based on actual claims experience of at least 6
31 months.

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1 Section 5. Subsection (17) is added to section
2 627.6472, Florida Statutes, to read:

3 627.6472 Exclusive provider organizations.--
4 (17) Each exclusive provider organization that offers
5 a group plan within this state must comply with s. 627.6681.

6 Section 6. Subsection (8) is added to section
7 627.6515, Florida Statutes, to read:

8 627.6515 Out-of-state groups.--
9 (8) Each group, blanket, and franchise health
10 insurance policy that offers a group plan within this state
11 must comply with s. 627.6681.

12 Section 7. Subsection (34) is added to section 641.31,
13 Florida Statutes, to read:

14 641.31 Health maintenance contracts.--
15 (34) Each group health maintenance organization
16 contract offered must comply with s. 627.6681.

17 Section 8. There is appropriated to the Department of
18 Insurance from the Insurance Commissioner's Regulatory Trust
19 Fund for fiscal year 1998-1999 one full-time equivalent
20 position and \$38,288 to implement the provisions of sections
21 2-9 of this act.

22 Section 9. The provisions of this act fulfill an
23 important state interest in that they promote the relief and
24 alleviation of health or medical problems that affect
25 significant portions of the state's population. The act, in
26 requiring insurance coverage, will facilitate closer scrutiny
27 of the treatment of these conditions, resulting in more
28 cost-efficient and effective treatment of such conditions. By
29 improving the overall level and quality of health care, the
30 act will reduce total costs of medical plans under which
31 treatment is provided for these conditions, thereby reducing

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1 public medical assistance benefits as well as expenditures for
2 persons covered under all medical plans.

3 Section 10. Except for this section and section 1,
4 which shall take effect October 1, 1998, this act shall take
5 effect January 1, 1999, and sections 2-9 apply to any policy
6 issued, written, or renewed in this state on or after January
7 1, 1999.

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10 ===== T I T L E A M E N D M E N T =====

11 And the title is amended as follows:

12 On page 1, lines 2 and 3, delete those lines

13
14 and insert:

15 An act relating to health insurance; providing
16 a short title; amending s. 627.668, F.S.;
17 providing that the current requirement for
18 group insurers to offer coverage for mental
19 health conditions does not apply to serious
20 mental illness; creating s. 627.6681, F.S.;
21 requiring group health insurers and health
22 maintenance organizations to provide coverage
23 for serious mental illness; requiring benefits
24 to be the same as for physical illness
25 generally; exempting group health plans or
26 coverage for a small employer, as defined;
27 providing a definition; providing authority for
28 certain manuals to be updated by rule;
29 authorizing an insurer to require services to
30 be provided by an exclusive provider of care;
31 authorizing an insurer to enter into a

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1 capitation contract with an exclusive provider
2 of care to provide benefits; providing
3 exemption for coverage; amending ss. 627.6472,
4 627.6515, 641.31, F.S., relating to exclusive
5 provider organizations, out-of-state groups,
6 and health maintenance contracts; providing
7 requirements for coverage compliance; providing
8 an appropriation; providing a description of
9 state interest; creating s. 641.3155, F.S.;

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