

By Senators Grant, Myers, Latvala and Forman

13-159-98

See HB 41

1 A bill to be entitled
2 An act relating to health insurance; providing
3 a short title; amending s. 627.668, F.S.;
4 providing that the current requirement for
5 group insurers to offer coverage for mental
6 health conditions does not apply to serious
7 mental illness; creating s. 627.6681, F.S.;
8 requiring group health insurers and health
9 maintenance organizations to provide coverage
10 for serious mental illness; requiring benefits
11 to be the same as for physical illness
12 generally; requiring the health benefit plan
13 committee to consider and recommend
14 modifications to standard, basic, and limited
15 health benefit plans; providing a definition;
16 providing authority for certain manuals to be
17 updated by rule; authorizing an insurer to
18 establish certain compliance functions;
19 amending ss. 627.6472, 627.6515, 641.31, F.S.,
20 relating to exclusive provider organizations,
21 out-of-state groups, and health maintenance
22 contracts; providing requirements for coverage
23 compliance; providing an appropriation;
24 providing a description of state interest;
25 providing an effective date.

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27 Be It Enacted by the Legislature of the State of Florida:

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29 Section 1. This act may be cited as the "Dianne Steele
30 Mental Illness Insurance Parity Act."

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1 Section 2. Section 627.668, Florida Statutes, is
2 amended to read:

3 627.668 Optional coverage for mental and nervous
4 disorders required; exception.--

5 (1) Every insurer, health maintenance organization,
6 and nonprofit hospital and medical service plan corporation
7 transacting group health insurance or providing prepaid health
8 care in this state shall make available to the policyholder as
9 part of the application, for an appropriate additional premium
10 under a group hospital and medical expense-incurred insurance
11 policy, under a group prepaid health care contract, and under
12 a group hospital and medical service plan contract, the
13 benefits or level of benefits specified in subsection (2) for
14 the necessary care and treatment of mental and nervous
15 disorders, as defined in the standard nomenclature of the
16 American Psychiatric Association, except that this section
17 does not apply to coverage for serious mental illness as
18 defined in s. 627.881. The coverage required in this section
19 is subject to the right of the applicant for a group policy or
20 contract to select any alternative benefits or level of
21 benefits as may be offered by the insurer, health maintenance
22 organization, or service plan corporation provided that, if
23 alternate inpatient, outpatient, or partial hospitalization
24 benefits are selected, such benefits shall not be less than
25 the level of benefits required under paragraph (2)(a),
26 paragraph (2)(b), or paragraph (2)(c), respectively.

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

3 (a) Inpatient benefits may be limited to not less than
4 30 days per benefit year as defined in the policy or contract.
5 If inpatient hospital benefits are provided beyond 30 days per
6 benefit year, the durational limits, dollar amounts, and
7 coinsurance factors thereto need not be the same as applicable
8 to physical illness generally.

9 (b) Outpatient benefits may be limited to \$1,000 for
10 consultations with a licensed physician, a psychologist
11 licensed pursuant to chapter 490, a mental health counselor
12 licensed pursuant to chapter 491, a marriage and family
13 therapist licensed pursuant to chapter 491, and a clinical
14 social worker licensed pursuant to chapter 491. If benefits
15 are provided beyond the \$1,000 per benefit year, the
16 durational limits, dollar amounts, and coinsurance factors
17 thereof need not be the same as applicable to physical illness
18 generally.

19 (c) Partial hospitalization benefits shall be provided
20 under the direction of a licensed physician. For purposes of
21 this part, the term "partial hospitalization services" is
22 defined as those services offered by a program accredited by
23 the Joint Commission on Accreditation of Hospitals (JCAH) or
24 in compliance with equivalent standards. Alcohol
25 rehabilitation programs accredited by the Joint Commission on
26 Accreditation of Hospitals or approved by the state and
27 licensed drug abuse rehabilitation programs shall also be
28 qualified providers under this section. In any benefit year,
29 if partial hospitalization services or a combination of
30 inpatient and partial hospitalization are utilized, the total
31 benefits paid for all such services shall not exceed the cost

1 of 30 days of inpatient hospitalization for psychiatric
2 services, including physician fees, which prevail in the
3 community in which the partial hospitalization services are
4 rendered. If partial hospitalization services benefits are
5 provided beyond the limits set forth in this paragraph, the
6 durational limits, dollar amounts, and coinsurance factors
7 thereof need not be the same as those applicable to physical
8 illness generally.

9 (3) Insurers that provide coverage under this section
10 and s. 627.6681 must maintain strict confidentiality regarding
11 psychiatric and psychotherapeutic records submitted to an
12 insurer for the purpose of reviewing a claim for benefits
13 payable under this section. These records submitted to an
14 insurer are subject to the limitations of s. 455.241, relating
15 to the furnishing of patient records.

16 Section 3. Section 627.6681, Florida Statutes, is
17 created to read:

18 627.6681 Coverage for serious mental illness
19 required.--

20 (1) Every insurer and health maintenance organization
21 transacting group health insurance or providing prepaid health
22 care in this state shall provide as part of such insurance or
23 health care under a group hospital and medical
24 expense-incurred insurance policy, under a group prepaid
25 health care contract, or under a group health maintenance
26 organization contract, coverage for the treatment of serious
27 mental illness, which treatment is determined to be medically
28 necessary. When a diagnosis of serious mental illness is
29 accompanied by a diagnosis of substance abuse, treatment for
30 the patient who is dually diagnosed must include, but is not
31 limited to, treatment for substance abuse.

1 (2) Under group policies or contracts, inpatient
2 hospital benefits, partial hospitalization benefits, and
3 outpatient benefits consisting of durational limits, dollar
4 amounts, deductibles, and coinsurance factors must be the same
5 for serious mental illness as for physical illness generally.

6 (3) The standard, basic, and limited health benefit
7 plan committee, appointed in the manner provided in s.
8 627.6699(12)(a)1., shall consider the modification of the
9 standard, basic, and limited health benefit plans developed
10 under s. 627.6699(12) to include coverage for serious mental
11 illness as prescribed in this section. The committee shall
12 submit any recommended modifications to the department for
13 approval.

14 (4)(a) As used in this section, the term "serious
15 mental illness" means any mental illness that is recognized in
16 the edition of relevant manuals of the American Psychiatric
17 Association or by the International Classification of Diseases
18 in effect on October 1, 1998, and affirmed by medical science
19 as caused by biological disorder of the brain, and that
20 substantially limits the life activities of the patient. The
21 term includes schizophrenia, autism, schizoaffective
22 disorders, anxiety and panic disorders, bipolar affective
23 disorders, major depression, and obsessive-compulsive
24 disorder.

25 (b) The department may adopt by rule a subsequent
26 edition of the manuals cited in paragraph (a) if a subsequent
27 edition is substantially similar to the edition in effect on
28 October 1, 1998.

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30 An insurer may require that an insured who seeks covered
31 services for a serious mental illness be referred for such

1 services by a designated health care provider responsible for
2 coordinating the serious mental illness treatment of the
3 insurer's subscribers.

4 Section 4. Subsection (17) is added to section
5 627.6472, Florida Statutes, to read:

6 627.6472 Exclusive provider organizations.--

7 (17) Each exclusive provider organization that offers
8 a group plan within this state must comply with s. 627.6681.

9 Section 5. Subsection (8) is added to section
10 627.6515, Florida Statutes, to read:

11 627.6515 Out-of-state groups.--

12 (8) Each group, blanket, and franchise health
13 insurance policy that offers a group plan within this state
14 must comply with s. 627.6681.

15 Section 6. Subsection (34) is added to section 641.31,
16 Florida Statutes, to read:

17 641.31 Health maintenance contracts.--

18 (34) Each health maintenance organization that offers
19 a group plan within this state must comply with s. 627.6681.

20 Section 7. There is appropriated to the Department of
21 Insurance from the Insurance Commissioner's Regulatory Trust
22 Fund for fiscal year 1998-1999 one full-time equivalent
23 position and \$38,288 to implement the provisions of this act.

24 Section 8. The provisions of this act fulfill an
25 important state interest in that they promote the relief and
26 alleviation of health or medical problems that affect
27 significant portions of the state's population. The act, in
28 requiring insurance coverage, will facilitate closer scrutiny
29 of the treatment of these conditions, resulting in more
30 cost-efficient and effective treatment of such conditions. By
31 improving the overall level and quality of health care, the

1 act will reduce total costs of medical plans under which
2 treatment is provided for these conditions, thereby reducing
3 public medical assistance benefits as well as expenditures for
4 persons covered under all medical plans.

5 Section 9. This act shall take effect October 1, 1998,
6 and applies to any policy issued, written, or renewed in this
7 state on or after such date.

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10 SENATE SUMMARY

11 Creates the "Dianne Steele Mental Illness Insurance
12 Parity Act." Provides that the current requirement for
13 group insurers to offer coverage for mental health
14 conditions does not apply to serious mental illness.
15 Requires group health insurers and health maintenance
16 organizations to provide coverage for serious mental
17 illness. Requires benefits to be the same as for physical
18 illness, generally. Requires the health benefit plan
19 committee to consider and recommend modifications to
20 standard, basic, and limited health-benefit plans.
21 Defines the term "serious mental illness." Provides
22 authority for certain manuals to be updated by rule.
23 Authorizes an insurer to establish certain compliance
24 functions. Provides requirements for coverage compliance
25 which apply to exclusive provider organizations, to
26 out-of-state groups, and to health maintenance contracts.
27 Provides an appropriation. Provides a statement
28 justifying state interest in the provisions of this act.
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