

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

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

5 627.668 Optional coverage for mental and nervous
6 disorders required; exception.--

7 (1) Every insurer, health maintenance organization,
8 and nonprofit hospital and medical service plan corporation
9 transacting group health insurance or providing prepaid health
10 care in this state shall make available to the policyholder as
11 part of the application, for an appropriate additional premium
12 under a group hospital and medical expense-incurred insurance
13 policy, under a group prepaid health care contract, and under
14 a group hospital and medical service plan contract, the
15 benefits or level of benefits specified in subsection (2) for
16 the necessary care and treatment of mental and nervous
17 disorders, as defined in the standard nomenclature of the
18 American Psychiatric Association, except that this section
19 does not apply to coverage for serious mental illness as
20 defined in s. 627.6681. The coverage required in this section
21 is subject to the right of the applicant for a group policy or
22 contract to select any alternative benefits or level of
23 benefits as may be offered by the insurer, health maintenance
24 organization, or service plan corporation provided that, if
25 alternate inpatient, outpatient, or partial hospitalization
26 benefits are selected, such benefits shall not be less than
27 the level of benefits required under paragraph (2)(a),
28 paragraph (2)(b), or paragraph (2)(c), respectively.

29 (2) Under group policies or contracts, inpatient
30 hospital benefits, partial hospitalization benefits, and
31 outpatient benefits provided under this section, consisting of

1 durational limits, dollar amounts, deductibles, and
2 coinsurance factors must ~~shall~~ not be less favorable than for
3 physical illness generally, except that:

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

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

20 (c) Partial hospitalization benefits shall be provided
21 under the direction of a licensed physician. For purposes of
22 this part, the term "partial hospitalization services" is
23 defined as those services offered by a program accredited by
24 the Joint Commission on Accreditation of Hospitals (JCAH) or
25 in compliance with equivalent standards. Alcohol
26 rehabilitation programs accredited by the Joint Commission on
27 Accreditation of Hospitals or approved by the state and
28 licensed drug abuse rehabilitation programs shall also be
29 qualified providers under this section. In any benefit year,
30 if partial hospitalization services or a combination of
31 inpatient and partial hospitalization are utilized, the total

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

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

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

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

21 (1) Every insurer and health maintenance organization
22 transacting group health insurance or providing prepaid health
23 care in this state shall provide as part of such insurance or
24 health care under a group hospital and medical
25 expense-incurred insurance policy, under a group prepaid
26 health care contract, or under a group health maintenance
27 organization contract, coverage for the treatment of serious
28 mental illness, which treatment is determined to be medically
29 necessary.

30 (2) Under group policies or contracts, inpatient
31 hospital benefits, partial hospitalization benefits, and

1 outpatient benefits consisting of durational limits, dollar
2 amounts, deductibles, and coinsurance factors must be the same
3 for serious mental illness as for physical illness generally.
4 Notwithstanding the provisions of this subsection, an insurer
5 or health maintenance organization may limit inpatient
6 coverage to 45 days per year and may limit outpatient coverage
7 to 60 visits per year.

8 (3) This section does not apply to any group health
9 plan, or group health insurance covered in connection with a
10 group health plan, for any plan year of a small employer as
11 defined in s. 627.6699.

12 (4) As used in this section, the term "serious mental
13 illness" means the following psychiatric illnesses as defined
14 by the American Psychiatric Association in the most current
15 edition of the Diagnostic and Statistical Manual:
16 schizophrenia, schizoaffective disorder, panic disorder,
17 bipolar affective disorder, major depressive disorder, and
18 specific obsessive-compulsive disorder.

19 (5) Notwithstanding other provisions of this section,
20 chapter 641, s. 627.6471, or s. 627.6472, an insurer or health
21 maintenance organization may require that the covered services
22 required by this section be provided by an exclusive provider
23 of health care, or a group of exclusive providers of health
24 care, which has entered into a written agreement with the
25 insurer or health maintenance organization to provide benefits
26 under this section. The insurer or health maintenance
27 organization may condition the payment of such benefits, in
28 whole or in part, on the use of such exclusive providers.

29 (6) The insurer or health maintenance organization may
30 directly or indirectly enter into a capitation contract with
31 an exclusive provider of health care or a group of exclusive

1 providers of health care to provide benefits under this
2 section. In providing the benefits under this section, the
3 insurer or health maintenance organization may impose other
4 appropriate financial incentives, peer review, and utilization
5 requirements to reduce service costs and utilization without
6 compromising quality of care.

7 (7) This section does not apply with respect to a
8 group health plan, or health insurance coverage offered in
9 connection with a group health plan, if the application of
10 this section to such plan or coverage results in an increase
11 in the cost under the plan or for such coverage of at least 2
12 percent, as determined by the department upon a filing by an
13 insurer or health maintenance organization demonstrating such
14 an increase based on actual claims experience of at least 6
15 months.

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

18 627.6472 Exclusive provider organizations.--

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

21 Section 5. Subsection (8) is added to section
22 627.6515, Florida Statutes, to read:

23 627.6515 Out-of-state groups.--

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

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

29 641.31 Health maintenance contracts.--

30 (34) Each group health maintenance organization
31 contract offered must comply with s. 627.6681.

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

5 Section 8. The provisions of this act fulfill an
6 important state interest in that they promote the relief and
7 alleviation of health or medical problems that affect
8 significant portions of the state's population. The act, in
9 requiring insurance coverage, will facilitate closer scrutiny
10 of the treatment of these conditions, resulting in more
11 cost-efficient and effective treatment of such conditions. By
12 improving the overall level and quality of health care, the
13 act will reduce total costs of medical plans under which
14 treatment is provided for these conditions, thereby reducing
15 public medical assistance benefits as well as expenditures for
16 persons covered under all medical plans.

17 Section 9. This act shall take effect January 1, 1999,
18 and applies to any policy issued, written, or renewed in this
19 state on or after such date.
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 268

Narrows the definition of "serious mental illness," to mean the following psychiatric illnesses as defined by the American Psychiatric Association in the most current edition of the Diagnostic and Statistical Manual: schizophrenia, schizoaffective disorder, panic disorder, bipolar affective disorder, major depressive disorder, and specific obsessive compulsive disorder.

Exempts any group health plan, or group health insurance covered in connection with a group health plan, for any plan year of a small employer (50 employees or less), as defined in s. 627.6699.

Authorizes an insurer or health maintenance organization to limit inpatient coverage to 45 days per year and outpatient coverage to 60 visits per year.

Authorizes an insurer or health maintenance organization to require that covered services are provided by an exclusive provider of care and to enter into capitated contracts with the exclusive provider of care.

Allows a group health plan or health insurance coverage to be exempt from the provisions of the bill, if the application of the bill results in an increase in actual claims experience costs of at least 2 percent for at least 6 months, as determined by the Department of Insurance.