

Bill No. HB 41, 3rd Eng.

Amendment No.     

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11	Senator Grant moved the following amendment:		
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13	<b>Senate Amendment (with title amendment)</b>		
14	Delete everything after the enacting clause		
15			
16	and insert:		
17	Section 1. <u>This act may be cited as the "Dianne Steele</u>		
18	<u>Mental Illness Insurance Parity Act."</u>		
19	Section 2. Section 627.668, Florida Statutes, is		
20	amended to read:		
21	627.668 Optional coverage for mental and nervous		
22	disorders required; exception.--		
23	(1) Every insurer, health maintenance organization,		
24	and nonprofit hospital and medical service plan corporation		
25	transacting group health insurance or providing prepaid health		
26	care in this state shall make available to the policyholder as		
27	part of the application, for an appropriate additional premium		
28	under a group hospital and medical expense-incurred insurance		
29	policy, under a group prepaid health care contract, and under		
30	a group hospital and medical service plan contract, the		
31	benefits or level of benefits specified in subsection (2) for		

Bill No. HB 41, 3rd Eng.

Amendment No. \_\_\_\_

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

Bill No. HB 41, 3rd Eng.

Amendment No. \_\_\_\_

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

Bill No. HB 41, 3rd Eng.

Amendment No. \_\_\_\_

1 to the furnishing of patient records.

2 Section 3. 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:

Bill No. HB 41, 3rd Eng.

Amendment No. \_\_\_\_

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.

Bill No. HB 41, 3rd Eng.

Amendment No. \_\_\_\_

1           Section 4. 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 5. 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 6. 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 7. 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 this act.

21           Section 8. The provisions of this act fulfill an  
22 important state interest in that they promote the relief and  
23 alleviation of health or medical problems that affect  
24 significant portions of the state's population. The act, in  
25 requiring insurance coverage, will facilitate closer scrutiny  
26 of the treatment of these conditions, resulting in more  
27 cost-efficient and effective treatment of such conditions. By  
28 improving the overall level and quality of health care, the  
29 act will reduce total costs of medical plans under which  
30 treatment is provided for these conditions, thereby reducing  
31 public medical assistance benefits as well as expenditures for

Bill No. HB 41, 3rd Eng.

Amendment No. \_\_\_\_

1 persons covered under all medical plans.

2 Section 9. This act shall take effect January 1, 1999,  
3 and applies to any policy issued, written, or renewed in this  
4 state on or after such date.

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

8 And the title is amended as follows:

9 Delete everything before the enacting clause

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11 and insert:

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A bill to be entitled

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An act relating to health insurance; providing

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a short title; amending s. 627.668, F.S.;

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providing that the current requirement for

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group insurers to offer coverage for mental

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health conditions does not apply to serious

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mental illness; creating s. 627.6681, F.S.;

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requiring group health insurers and health

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maintenance organizations to provide coverage

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for serious mental illness; requiring benefits

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to be the same as for physical illness

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generally; exempting group health plans or

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coverage for a small employer, as defined;

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providing a definition; providing authority for

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certain manuals to be updated by rule;

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authorizing an insurer to require services to

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be provided by an exclusive provider of care;

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authorizing an insurer to enter into a

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capitation contract with an exclusive provider

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of care to provide benefits; providing

Bill No. HB 41, 3rd Eng.

Amendment No. \_\_\_\_

1 exemption for coverage; amending ss. 627.6472,  
2 627.6515, 641.31, F.S., relating to exclusive  
3 provider organizations, out-of-state groups,  
4 and health maintenance contracts; providing  
5 requirements for coverage compliance; providing  
6 an appropriation; providing a description of  
7 state interest; providing an effective date.  
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