

By Senator Campbell

33-538-99

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; requiring rate filings;
16 providing a definition; providing rulemaking
17 authority; authorizing an insurer to establish
18 certain compliance functions; amending ss.
19 627.6472, 627.6515, 641.31, F.S., relating to
20 exclusive provider organizations, out-of-state
21 groups, and health maintenance contracts;
22 providing requirements for coverage compliance;
23 providing an appropriation; providing a
24 description of state interest; providing an
25 effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:

28
29 Section 1. This act may be cited as the "Dianne Steele
30 Mental Illness Insurance Parity Act."

31

1 Section 2. Section 627.668, Florida Statutes, 1998
2 Supplement, is 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. 627.6681. The coverage required in this section
19 shall be subject to the right of the applicant for a group
20 policy or contract to select any alternative benefits or level
21 of benefits as may be offered by the insurer, health
22 maintenance organization, or service plan corporation provided
23 that, if alternate inpatient, outpatient, or partial
24 hospitalization benefits are selected, such benefits shall not
25 be less than the level of benefits required under paragraph
26 (2)(a), 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 pursuant to this section
30 consisting of durational limits, dollar amounts, deductibles,
31

1 and coinsurance factors 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 providing coverage pursuant to this
10 section and s. 627.6681 must maintain strict confidentiality
11 regarding psychiatric and psychotherapeutic records submitted
12 to an insurer for the purpose of reviewing a claim for
13 benefits payable under this section. These records submitted
14 to an insurer are subject to the limitations of s. 455.667,
15 relating 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 shall include, but not be
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 shall be the
5 same for serious mental illness as for physical illness
6 generally.

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

15 (4) With respect to providing the coverage required
16 under this section, the insurer or health maintenance
17 organization must file a rate factor that sets forth in detail
18 in any rate filing under s. 627.410 the portion of any
19 increase in rates which is attributable to the coverage. If
20 the factor indicates an increase that exceeds 2.5 percent, the
21 insurer or health maintenance organization may adjust the
22 deductibles, coinsurance, or limits that apply to coverage
23 required under this section to limit the percentage increase
24 to 2.5 percent with respect to any one calendar year and shall
25 demonstrate this adjustment in the filing.

26 (5)(a) As used in this section, the term "serious
27 mental illness" means any mental illness that is recognized in
28 the edition of relevant manuals of the American Psychiatric
29 Association or by the International Classification of Diseases
30 in effect on October 1, 1999, and affirmed by medical science
31 as caused by biological disorder of the brain, and that

1 substantially limits the life activities of the patient. The
2 term includes schizophrenia, autism, schizoaffective
3 disorders, anxiety and panic disorders, bipolar affective
4 disorders, major depression, and obsessive compulsive
5 disorder.

6 (b) The department may adopt by rule a subsequent
7 edition of the manuals cited in paragraph (a) if a subsequent
8 edition is substantially similar to the edition in effect on
9 October 1, 1999. The department may adopt rules to implement
10 this section, including specifications for ratemaking and
11 information for calculating rates necessary to determine
12 compliance with ss. 627.410, 627.411, and 627.6681.

13
14 An insurer may require that an insured who seeks covered
15 services for a serious mental illness be referred for such
16 services by a designated health care provider responsible for
17 coordinating the serious mental illness treatment of the
18 insurer's subscribers.

19 Section 4. Subsection (18) is added to section
20 627.6472, Florida Statutes, 1998 Supplement, to read:

21 627.6472 Exclusive provider organizations.--

22 (18) Each exclusive provider organization that offers
23 a group plan within this state must comply with s. 627.6681.

24 Section 5. Subsection (9) is added to section
25 627.6515, Florida Statutes, 1998 Supplement, to read:

26 627.6515 Out-of-state groups.--

27 (9) Each group, blanket, and franchise health
28 insurance policy that offers a group plan within this state
29 must comply with s. 627.6681.

30 Section 6. Subsection (36) is added to section 641.31,
31 Florida Statutes, 1998 Supplement, to read:

1 641.31 Health maintenance contracts.--

2 (36) Each health maintenance organization that offers
3 a group plan within this state must comply with s. 627.6681.

4 Section 7. There is appropriated to the Department of
5 Insurance from the Insurance Commissioner's Regulatory Trust
6 Fund for fiscal year 1999-2000 the sum of \$38,288 to implement
7 this act, and one full-time equivalent position is authorized.

8 Section 8. This act fulfills an important state
9 interest in that it promotes the relief and alleviation of
10 health or medical problems that affect significant portions of
11 the state's population. This act, in requiring insurance
12 coverage, should facilitate closer scrutiny of the treatment
13 of these conditions, resulting in more cost-efficient and
14 effective treatment of such conditions. By improving the
15 overall level and quality of health care, this act will have
16 the effect of reducing total costs of medical plans under
17 which treatment is provided for these conditions, thereby
18 reducing public medical assistance benefits as well as outlays
19 for persons covered under all medical plans.

20 Section 9. This act shall take effect October 1, 1999,
21 and shall apply to any policy issued, written, or renewed in
22 this state on or after that date.

23
24 *****

25 SENATE SUMMARY

26 Requires insurers and health maintenance organizations
27 transacting group health insurance or providing prepaid
28 health care in the state to provide coverage for
29 medically necessary treatment of serious mental illness
30 and, when substance abuse is dually diagnosed, coverage
31 for treatment of that substance abuse. Provides for a
 rate filing and for a limit on rate increases. Provides
 that the requirement of such coverage applies to
 exclusive provider organizations, out-of-state groups,
 and health maintenance contracts.