

By Representative Hafner

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, and 641.31, F.S., relating  
20          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, 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 this section shall  
17 not apply to coverage for serious mental illness as defined in  
18 s. 627.6681. The coverage required in this section shall be  
19 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 pursuant to this section,  
30 consisting of durational limits, dollar amounts, deductibles,  
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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 substance abuse, treatment for the patient who  
30 is dually diagnosed shall include, but not be limited to,  
31 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 this section and ss. 627.410 and 627.411.

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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 hereby appropriated to the  
5 Department of Insurance from the Insurance Commissioner's  
6 Regulatory Trust Fund for fiscal year 1999-2000 one full-time  
7 equivalent position and \$38,288 to implement the provisions of  
8 this act.  
9           Section 8. The provisions of this bill fulfill an  
10 important state interest in that they promote the relief and  
11 alleviation of health or medical problems that affect  
12 significant portions of the state's population. The bill, in  
13 requiring insurance coverage, should facilitate closer  
14 scrutiny of the treatment of these conditions, resulting in  
15 more cost-efficient and effective treatment of such  
16 conditions. By improving the overall level and quality of  
17 health care, the bill will have the effect of reducing total  
18 costs of medical plans under which treatment is provided for  
19 these conditions, thereby reducing public medical assistance  
20 benefits as well as outlays for persons covered under all  
21 medical plans.  
22           Section 9. This act shall take effect October 1, 1999,  
23 and shall apply to any policy issued, written, or renewed in  
24 this state on or after such date.

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HOUSE SUMMARY

Creates the "Dianne Steele Mental Illness Insurance Parity Act." Provides that the current requirement for group insurers to offer coverage for mental health conditions does not apply to serious mental illness. Requires group health insurers, health maintenance organizations, exclusive provider organizations, and out-of-state groups to provide coverage for serious mental illness and requires benefits to be the same as for physical illness generally. See bill for details.