By the Committee on Health Policy; and Senators Crist and Saunders

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A bill to be entitled

An act relating to health insurance policies; amending s. 627.668, F.S.; revising the requirements for optional coverage for mental and nervous disorders; prohibiting the durational limits, dollar amounts, deductibles, or coinsurance factors for certain specified illnesses or conditions from being less favorable than those for physical illness; repealing s. 627.669, F.S., relating to optional coverage for substance abuse impaired persons; amending s. 627.6675, F.S., relating to required benefits; conforming provisions to changes made by the act; providing for application; providing an effective date.

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

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

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

(1) Every insurer, health maintenance organization, and nonprofit hospital and medical service plan corporation transacting group health insurance or providing prepaid health care in this state shall make available to the policyholder as part of the application, for an appropriate additional premium under a group hospital and medical expense-incurred insurance policy, under a group prepaid health care contract, and under a group hospital and medical service plan contract, the benefits or level of benefits specified in subsections (2) and (3) ~~subsection (2)~~ for the necessary care and treatment of mental and nervous

disorders, as defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by ~~standard nomenclature of~~ the American Psychiatric Association, subject to the right of the applicant for a group policy or contract to select any alternative benefits or level of benefits as may be offered by the insurer, health maintenance organization, or service plan corporation provided that, if alternate inpatient, outpatient, or partial hospitalization benefits are selected, such benefits shall not be less than the level of benefits required under subsections (2) and (3) ~~paragraph (2)(a), paragraph (2)(b), or paragraph (2)(c), respectively~~.

(2) Under group policies or contracts, inpatient hospital benefits, partial hospitalization benefits, and outpatient benefits consisting of durational limits, dollar amounts, deductibles, and coinsurance factors shall not be less favorable than for physical illness generally for the necessary care and treatment of schizophrenia, schizo-affective disorders, major depression, bipolar disorders, panic disorders, generalized anxiety disorders, postraumatic stress disorders, substance abuse disorders, eating disorders, delirium, dementia, childhood ADD/ADHD, developmental disorders, borderline personality disorder, and mental disorder due to a medical condition.

(3)~~(2)~~ Under group policies or contracts, inpatient hospital benefits, partial hospitalization benefits, and outpatient benefits for mental health disorders not listed in subsection (2) ~~consisting of durational limits, dollar amounts, deductibles, and coinsurance factors~~ shall not be less favorable than for physical illness generally, except that:

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

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

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

the community in which the partial hospitalization services are rendered. If partial hospitalization services benefits are provided beyond the limits set forth in this paragraph, the durational limits, dollar amounts, and coinsurance factors thereof need not be the same as those applicable to physical illness generally.

(4) ~~(3)~~ Insurers must maintain strict confidentiality regarding psychiatric and psychotherapeutic records submitted to an insurer for the purpose of reviewing a claim for benefits payable under this section. These records submitted to an insurer are subject to the limitations of s. 456.057, relating to the furnishing of patient records.

Section 2. Section 627.669, Florida Statutes, is repealed.

Section 3. Paragraph (b) of subsection (8) of section 627.6675, Florida Statutes, is amended to read:

627.6675 Conversion on termination of eligibility.--Subject to all of the provisions of this section, a group policy delivered or issued for delivery in this state by an insurer or nonprofit health care services plan that provides, on an expense-incurred basis, hospital, surgical, or major medical expense insurance, or any combination of these coverages, shall provide that an employee or member whose insurance under the group policy has been terminated for any reason, including discontinuance of the group policy in its entirety or with respect to an insured class, and who has been continuously insured under the group policy, and under any group policy providing similar benefits that the terminated group policy replaced, for at least 3 months immediately prior to termination, shall be entitled to have issued to him or her by the insurer a policy or certificate of

health insurance, referred to in this section as a "converted policy." A group insurer may meet the requirements of this section by contracting with another insurer, authorized in this state, to issue an individual converted policy, which policy has been approved by the office under s. 627.410. An employee or member shall not be entitled to a converted policy if termination of his or her insurance under the group policy occurred because he or she failed to pay any required contribution, or because any discontinued group coverage was replaced by similar group coverage within 31 days after discontinuance.

(8) BENEFITS OFFERED.--

(b) An insurer shall offer the benefits specified in s. 627.668 ~~and the benefits specified in s. 627.669~~ if those benefits were provided in the group plan.

Section 4. This act shall take effect January 1, 2009, and applies to policies and contracts issued or renewed on or after that date.