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1                   A bill to be entitled  
 2           An act relating to coverage for mental and nervous  
 3           disorders; amending s. 627.668, F.S.; revising  
 4           requirements and limitations for optional coverage for  
 5           mental and nervous disorders; specifying nonapplication  
 6           under certain circumstances; amending s. 627.6675, F.S.;  
 7           conforming a cross-reference; repealing s. 627.669, F.S.,  
 8           relating to optional coverage required for substance abuse  
 9           impaired persons; providing for application; providing an  
 10          effective date.

11  
 12 Be It Enacted by the Legislature of the State of Florida:

13  
 14           Section 1. Section 627.668, Florida Statutes, is amended  
 15          to read:

16           627.668 Optional coverage for mental and nervous disorders  
 17          required; exception.--

18           (1) Every insurer, health maintenance organization, and  
 19          nonprofit hospital and medical service plan corporation  
 20          transacting group health insurance or providing prepaid health  
 21          care in this state shall make available to the policyholder as  
 22          part of the application, for an appropriate additional premium  
 23          under a group hospital and medical expense-incurred insurance  
 24          policy, under a group prepaid health care contract, and under a  
 25          group hospital and medical service plan contract, the benefits  
 26          or level of benefits specified in subsections ~~subsection~~ (2) and  
 27          (3) for the necessary care and treatment of mental and nervous  
 28          disorders, as defined in the most recent edition of the

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29 Diagnostic and Statistical Manual of Mental Disorders published  
30 by standard nomenclature of the American Psychiatric  
31 Association, subject to the right of the applicant for a group  
32 policy or contract to select any alternative benefits or level  
33 of benefits as may be offered by the insurer, health maintenance  
34 organization, or service plan corporation, provided that, if  
35 alternate inpatient, outpatient, or partial hospitalization  
36 benefits are selected, such benefits shall not be less than the  
37 level of benefits required under subsections (2) and (3)  
38 paragraph (2) (a), paragraph (2) (b), or paragraph (2) (c),  
39 respectively. With respect to the state group insurance program,  
40 the term "policyholder" means the State of Florida.

41 (2) Under group policies or contracts, inpatient hospital  
42 benefits, partial hospitalization benefits, and outpatient  
43 benefits consisting of durational limits, dollar amounts,  
44 deductibles, and coinsurance factors shall not be less favorable  
45 than for physical illness generally for the necessary care and  
46 treatment of schizophrenia and psychotic disorders, mood  
47 disorders, anxiety disorders, substance abuse disorders, eating  
48 disorders, and childhood ADD/ADHD.

49 (3) ~~(2)~~ Under group policies or contracts, inpatient  
50 hospital benefits, partial hospitalization benefits, and  
51 outpatient benefits for mental health disorders not listed in  
52 subsection (2) consisting of durational limits, dollar amounts,  
53 deductibles, and coinsurance factors shall not be less favorable  
54 than for physical illness generally, except that:

55 (a) Inpatient benefits may be limited to not less than 45  
56 ~~30~~ days per benefit year as defined in the policy or contract.

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57 If inpatient hospital benefits are provided beyond 45 ~~30~~ days  
58 per benefit year, the durational limits, dollar amounts, and  
59 coinsurance factors thereto need not be the same as applicable  
60 to physical illness generally.

61 (b) Outpatient benefits may be limited to 60 visits per  
62 benefit year ~~\$1,000~~ for consultations with a licensed physician,  
63 a psychologist licensed pursuant to chapter 490, a mental health  
64 counselor licensed pursuant to chapter 491, a marriage and  
65 family therapist licensed pursuant to chapter 491, and a  
66 clinical social worker licensed pursuant to chapter 491. If  
67 benefits are provided beyond the 60 visits ~~\$1,000~~ per benefit  
68 year, the durational limits, dollar amounts, and coinsurance  
69 factors thereof need not be the same as applicable to physical  
70 illness generally.

71 (c) Partial hospitalization benefits shall be provided  
72 under the direction of a licensed physician. For purposes of  
73 this part, the term "partial hospitalization services" is  
74 defined as those services offered by a program accredited by the  
75 Joint Commission on Accreditation of Hospitals (JCAH) or in  
76 compliance with equivalent standards. Alcohol rehabilitation  
77 programs accredited by the Joint Commission on Accreditation of  
78 Hospitals or approved by the state and licensed drug abuse  
79 rehabilitation programs shall also be qualified providers under  
80 this section. In any benefit year, if partial hospitalization  
81 services or a combination of inpatient and partial  
82 hospitalization are utilized, the total benefits paid for all  
83 such services shall not exceed the cost of 45 ~~30~~ days of  
84 inpatient hospitalization for psychiatric services, including

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

91 (4) In providing the benefits under this section, the  
92 insurer or health maintenance organization may impose  
93 appropriate financial incentives, peer review, utilization  
94 requirements, and other methods used for the management of  
95 benefits provided for other medical conditions, to reduce  
96 service costs and utilization without compromising quality of  
97 care.

98 (5)~~(3)~~ Insurers must maintain strict confidentiality  
99 regarding psychiatric and psychotherapeutic records submitted to  
100 an insurer for the purpose of reviewing a claim for benefits  
101 payable under this section. These records submitted to an  
102 insurer are subject to the limitations of s. 456.057, relating  
103 to the furnishing of patient records.

104 (6) This section does not apply with respect to a group  
105 health plan, or health insurance coverage offered in connection  
106 with a group health plan, if the application of this section to  
107 such plan or coverage has caused an increase in the costs under  
108 the plan or for such coverage of more than 2 percent, as  
109 determined and certified by an independent actuary to the Office  
110 of Insurance Regulation.

111 Section 2. Paragraph (b) of subsection (8) of section  
112 627.6675, Florida Statutes, is amended to read:

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113           627.6675 Conversion on termination of  
114 eligibility.--Subject to all of the provisions of this section,  
115 a group policy delivered or issued for delivery in this state by  
116 an insurer or nonprofit health care services plan that provides,  
117 on an expense-incurred basis, hospital, surgical, or major  
118 medical expense insurance, or any combination of these  
119 coverages, shall provide that an employee or member whose  
120 insurance under the group policy has been terminated for any  
121 reason, including discontinuance of the group policy in its  
122 entirety or with respect to an insured class, and who has been  
123 continuously insured under the group policy, and under any group  
124 policy providing similar benefits that the terminated group  
125 policy replaced, for at least 3 months immediately prior to  
126 termination, shall be entitled to have issued to him or her by  
127 the insurer a policy or certificate of health insurance,  
128 referred to in this section as a "converted policy." A group  
129 insurer may meet the requirements of this section by contracting  
130 with another insurer, authorized in this state, to issue an  
131 individual converted policy, which policy has been approved by  
132 the office under s. 627.410. An employee or member shall not be  
133 entitled to a converted policy if termination of his or her  
134 insurance under the group policy occurred because he or she  
135 failed to pay any required contribution, or because any  
136 discontinued group coverage was replaced by similar group  
137 coverage within 31 days after discontinuance.

138           (8) BENEFITS OFFERED.--

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139 (b) An insurer shall offer the benefits specified in s.  
140 627.668 ~~and the benefits specified in s. 627.669~~ if those  
141 benefits were provided in the group plan.

142 Section 3. Section 627.669, Florida Statutes, is repealed.

143 Section 4. This act shall take effect January 1, 2011, and  
144 shall apply to policies and contracts issued or renewed on or  
145 after that date.