

By Senator Ring

29-01077-13

20131242

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; authorizing an insurer
6 or health maintenance organization to take certain
7 steps to reduce service costs; specifying
8 nonapplication under certain circumstances; amending
9 s. 627.6675, F.S.; conforming a cross-reference;
10 repealing s. 627.669, F.S., relating to optional
11 coverage required for substance abuse impaired
12 persons; requiring the Office of Insurance Regulation
13 to submit a report to the Legislature containing
14 specified information; providing for application;
15 providing an effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Section 627.668, Florida Statutes, is amended to
20 read:

21 627.668 Optional coverage for mental and nervous disorders
22 required; exception.—

23 (1) Every insurer, health maintenance organization, and
24 nonprofit hospital and medical service plan corporation
25 transacting group health insurance or providing prepaid health
26 care in this state under a group hospital and medical expense-
27 incurred insurance policy, a group prepaid health care contract,
28 or a group hospital and medical service plan contract shall make
29 available to the policyholder as part of the application, for an

29-01077-13

20131242__

30 appropriate additional premium ~~under a group hospital and~~
31 ~~medical expense incurred insurance policy, under a group prepaid~~
32 ~~health care contract, and under a group hospital and medical~~
33 ~~service plan contract,~~ the benefits or level of benefits
34 specified in subsections ~~subsection~~ (2) and (3) for the
35 necessary care and treatment of mental and nervous disorders, as
36 defined in the most recent edition of the Diagnostic and
37 Statistical Manual of Mental Disorders published by standard
38 ~~nomenclature~~ of the American Psychiatric Association. This
39 requirement is, subject to the right of the applicant for a
40 group policy or contract to select any alternative benefits or
41 level of benefits as may be offered by the insurer, health
42 maintenance organization, or service plan corporation. provided
43 ~~that,~~ If alternate inpatient, outpatient, or partial
44 hospitalization benefits are selected, such benefits may ~~shall~~
45 not be less than the level of benefits required under
46 subsections (2) and (3) paragraph (2)(a), paragraph (2)(b), or
47 paragraph (2)(c), respectively. With respect to the state group
48 insurance program, the term "policyholder" means the State of
49 Florida.

50 (2) Under group policies or contracts, inpatient hospital
51 benefits, partial hospitalization benefits, and outpatient
52 benefits consisting of durational limits, dollar amounts,
53 deductibles, and coinsurance factors may not be less favorable
54 for the necessary care and treatment of schizophrenia and
55 psychotic disorders, mood disorders, anxiety disorders,
56 substance abuse disorders, eating disorders, and childhood
57 attention deficit disorder or attention deficit hyperactivity
58 disorder than for physical illness generally.

29-01077-13

20131242

59 (3)(2) ~~Under group policies or contracts,~~ Inpatient
60 hospital benefits, partial hospitalization benefits, and
61 outpatient benefits for mental health disorders not listed in
62 subsection (2) may consisting of durational limits, dollar
63 ~~amounts, deductibles, and coinsurance factors shall~~ not be less
64 favorable than for physical illness generally, except that:

65 (a) Inpatient benefits must be provided at least 45 ~~may be~~
66 ~~limited to not less than 30~~ days per benefit year as defined in
67 the policy or contract. If inpatient hospital benefits are
68 provided beyond 45 ~~30~~ days per benefit year, the durational
69 limits, dollar amounts, and coinsurance factors ~~therete~~ need not
70 be the same as applicable to physical illness generally.

71 (b) Outpatient benefits must provide 60 visits per benefit
72 year ~~may be limited to \$1,000~~ for consultations with a licensed
73 physician, a psychologist licensed pursuant to chapter 490, a
74 mental health counselor licensed pursuant to chapter 491, a
75 marriage and family therapist licensed pursuant to chapter 491,
76 and a clinical social worker licensed pursuant to chapter 491.
77 If benefits are provided beyond the 60 visits ~~\$1,000~~ per benefit
78 year, the durational limits, dollar amounts, and coinsurance
79 factors thereof need not be the same as applicable to physical
80 illness generally.

81 (c) Partial hospitalization benefits shall be provided
82 under the direction of a licensed physician. For purposes of
83 this part, the term "partial hospitalization services" is
84 defined as those services offered by a program accredited by the
85 Joint Commission (TJC) ~~on Accreditation of Hospitals (JCAH)~~ or
86 in compliance with equivalent standards. Alcohol rehabilitation
87 programs accredited by the Joint Commission ~~on Accreditation of~~

29-01077-13

20131242

88 ~~Hospitals~~ or approved by the state and licensed drug abuse
89 rehabilitation programs are ~~shall~~ also ~~be~~ qualified providers
90 ~~under this section~~. In any benefit year, if partial
91 hospitalization services or a combination of inpatient and
92 partial hospitalization are used ~~utilized~~, the total benefits
93 paid for all such services may ~~shall~~ not exceed the cost of 45
94 ~~30~~ days of inpatient hospitalization for psychiatric services,
95 including physician fees, which prevail in the community in
96 which the partial hospitalization services are rendered. If
97 partial hospitalization services benefits are provided beyond
98 the limits set forth in this paragraph, the durational limits,
99 dollar amounts, and coinsurance factors ~~thereof~~ need not be the
100 same as those applicable to physical illness generally.

101 (4) In order to reduce service costs and utilization
102 without compromising quality of care, the insurer or health
103 maintenance organization that provides benefits under this
104 section may impose appropriate financial incentives, peer
105 review, utilization requirements, and other methods used for the
106 management of benefits provided for other medical conditions.

107 (5) ~~(3)~~ Insurers must maintain strict confidentiality
108 regarding psychiatric and psychotherapeutic records submitted to
109 an insurer for the purpose of reviewing a claim for benefits
110 payable under this section. These records ~~submitted to an~~
111 ~~insurer~~ are subject to the limitations of s. 456.057, relating
112 to the furnishing of patient records.

113 (6) This section does not apply with respect to a group
114 health plan, or health insurance coverage offered in connection
115 with a group health plan, if the application of this section to
116 such plan or coverage results in an increase of more than 2

29-01077-13

20131242

117 percent in the cost of such coverage, as determined and
118 certified by an independent actuary to the Office of Insurance
119 Regulation.

120 Section 2. Paragraph (b) of subsection (8) of section
121 627.6675, Florida Statutes, is amended to read:

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

29-01077-13

20131242

146 coverage within 31 days after discontinuance.

147 (8) BENEFITS OFFERED.—

148 (b) An insurer shall offer the benefits specified in s.
149 627.668 ~~and the benefits specified in s. 627.669~~ if those
150 benefits were provided in the group plan.

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

152 Section 4. Report.—By January 1, 2016, the Office of
153 Insurance Regulation shall prepare and submit a report to the
154 Governor, the President of the Senate, and the Speaker of the
155 House of Representatives on the following:

156 (1) An estimate of the impact of this act on health
157 insurance costs.

158 (2) Actions taken by the office to ensure that health
159 insurance plans are in compliance with this act and that quality
160 and access to treatment for mental health conditions provided by
161 the plans are not compromised by providing financial parity for
162 such coverage.

163 Section 5. Applicability.—The provisions of this act do
164 not:

165 (1) Limit the provision of specialized Medicaid-covered
166 services for individuals with mental health or substance
167 disorders.

168 (2) Supersede the provisions of federal law, federal or
169 state Medicaid policy, or the terms and conditions imposed on
170 any Medicaid waiver granted to the state with respect to the
171 provision of services to individuals with mental health or
172 substance abuse disorders.

173 (3) Affect any annual health insurance plan until its date
174 of renewal or any health insurance plan governed by a collective

29-01077-13

20131242__

175 bargaining agreement or employment contract until the expiration
176 of that contract.

177 Section 6. This act shall take effect January 1, 2014, and
178 applies to policies and contracts issued or renewed on or after
179 that date.