

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE ENROLLED ACT No. 1108

AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 5-10-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9. (a) ~~This section does not apply to benefits for services furnished after September 29, 2001.~~

(~~b~~) This section does not apply if the application of this section would increase the premiums of the health services policy or plan, **as certified under IC 27-8-5-15.7**, by more than ~~one percent (1%)~~ **four percent (4%)** as a result of complying with subsection (~~d~~): (c).

(~~e~~) (**b**) As used in this section, "coverage ~~for of~~ services for mental illness" includes benefits with respect to mental health services as defined by the contract, policy, or plan for health services. However, the term does not include services for the treatment of substance abuse or chemical dependency.

(~~d~~) (**c**) If the state enters into a contract for health services through prepaid health care delivery plans, medical self-insurance, or group health insurance for state employees, the contract may not permit treatment limitations or financial requirements on the coverage of services for mental illness if similar limitations or requirements are not imposed on **the** coverage of services for other **medical or surgical** conditions.

(~~e~~) (**d**) This section applies to a contract for health services through

HEA 1108+



C
O
P
Y

prepaid health care delivery plans, medical self-insurance, or group medical coverage for state employees that is issued, entered into, or renewed after June 30, 1997.

(f) (e) This section does not require the contract for health services to offer mental health benefits.

SECTION 2. IC 12-17-18-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 18. (a) As used in this section, "physicians' services" has the meaning set forth in 42 U.S.C. 1395x(q) and (r).

(b) The office shall offer health insurance coverage for the following basic services:

- (1) Inpatient and outpatient hospital services.
- (2) Physicians' services.
- (3) Laboratory and x-ray services.
- (4) Well-baby and well-child care, including age appropriate immunizations.

(c) The office shall offer health insurance coverage for the following additional services if the coverage for the services has an actuarial value equal to the actuarial value of the services provided by the benchmark program for the following:

- (1) Prescription drugs.
- (2) Mental health services.
- (3) Vision services.
- (4) Hearing services.
- (5) Dental services.

(d) Notwithstanding subsections (b) and (c), the office shall offer health insurance coverage for the same services provided under the early and periodic screening, diagnosis, and treatment program (EPSDT) under IC 12-15.

(e) Notwithstanding subsections (b), (c), and (d), the office may not impose treatment limitations or financial requirements on the coverage of services for a mental illness if similar treatment limitations or financial requirements are not imposed on **the coverage for of** services for other ~~illnesses~~: **medical or surgical conditions**.

SECTION 3. IC 27-8-5-15.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 15.6. (a) ~~This section does not apply to benefits for services furnished after September 29, 2001:~~

(b) ~~As used in this section, "aggregate lifetime limits" means a dollar limitation on the total amount that may be paid for services for a mental illness:~~

(c) ~~As used in this section, "annual limits" means a dollar limitation~~

HEA 1108+



C
O
P
Y

on the total amount that may be paid for services for a mental illness in a twelve (12) month period:

(d) As used in this section, "coverage of services for a mental illness" includes the services defined under the policy of accident and sickness insurance (as defined in IC 27-8-5-1). However, the term does not include services for the treatment of substance abuse or chemical dependency.

(e) (b) This section applies to a policy of accident and sickness insurance (as defined in IC 27-8-5-1) that:

- (1) is issued on an individual basis or a group basis; and
- (2) is issued, entered into, or renewed after ~~June 30, 1998;~~ **December 31, 1999; and**
- (3) is issued to an employer that employs more than fifty (50) full-time employees.**

(f) (c) This section does not apply to the following:

- (1) Except for an employee benefit program under IC 5-10-8, an employee benefit program that is subject to the federal Employee Retirement Income Security Act (29 U.S.C. 1001 et seq.);
- (2) ~~A group or individual~~ **An** insurance policy or agreement offered or sold to:

(A) an individual;

(B) an association; or

(C) a legal business entity that employs less than fifty (50) full-time employees: **listed under IC 27-8-15-9(b).**

- (3) an individual; an association; or (2) A legal business entity whose premiums would increase more than one percent (1%) solely as a result of complying with subsection (g): **that has obtained an exemption under IC 27-8-5-15.7.**

(g) (d) A group or individual insurance policy or agreement may not impose aggregate lifetime limits or annual limits **permit treatment limitations or financial requirements** on the coverage of services for a mental illness if similar limitations or requirements are not imposed on the coverage of services for other **medical or surgical** conditions.

(h) (e) This section does not require a group or individual insurance policy or agreement to offer mental health benefits.

(f) **The benefits delivered under this section may be delivered under a managed care system.**

SECTION 4. IC 27-8-5-15.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 15.7. (a) The department shall exempt a policy or contract issued by an insurer or health maintenance organization under IC 5-10-8-9, section 15.6 of this chapter, or IC 27-13-7-14.8**

HEA 1108+



C
O
P
Y

by documenting to the department that compliance with the requirements of IC 5-10-8-9(c), section 15.6(d) of this chapter, or IC 27-13-7-14.8(d) have increased the annual premium or rates charged for the policy or health maintenance organization contract by more than four percent (4%) per year. An insurer or a health maintenance organization that applies for an exemption under this section shall provide documentation that is certified by an independent member of the American Academy of Actuaries of actual mental health claims incurred for a period of not less than six (6) months to substantiate the insurer's or health maintenance organization's assertion of increased claims and administrative costs by more than four percent (4%) per year.

(b) Documents submitted under this section must be available for public inspection.

SECTION 5. IC 27-13-7-14.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 14.8. (a) This section does not apply to benefits for services furnished after September 29, 2001.

(b) As used in this section, "aggregate lifetime limits" means a dollar limitation on the total amount that may be paid for services for a mental illness.

(c) As used in this section, "annual limits" means a dollar limitation on the total amount that may be paid for services for a mental illness in a twelve (12) month period.

(d) As used in this section, "coverage of services for a mental illness" includes the services defined under the contract with the health maintenance organization. However, the term does not include services for the treatment of substance abuse or chemical dependency.

(e) (b) This section applies to a group or individual contract with a health maintenance organization that:

(1) is issued, entered into, or renewed after ~~June 30, 1998;~~
December 31, 1999; and

(2) is issued to an employer that employs more than fifty (50) full-time employees.

(f) (c) This section does not apply to the following:

(1) Except for an employee benefit program under IC 5-10-8, an employee benefit program that is subject to the federal Employee Retirement Income Security Act (29 U.S.C. 1001 et seq.);

(2) A group or individual contract with a health maintenance organization offered or sold to:

(A) an individual;

(B) an association; or



C
O
P
Y

~~(c)~~ a legal business entity that employs less than fifty (50) full-time employees.

~~(3)~~ an individual, an association, or a legal business entity whose premiums would increase more than one percent (1%) solely as a result of complying with subsection ~~(g)~~ **that has obtained an exemption under IC 27-8-5-15.7.**

~~(g)~~ **(d)** A group or individual contract with a health maintenance organization may not ~~impose aggregate lifetime limits or annual limits~~ **permit treatment limitations or financial requirements** on the coverage of services for a mental illness if similar limitations or requirements are not imposed on ~~the~~ **the** coverage of services for other **medical or surgical** conditions.

~~(h)~~ **(e)** This section does not require a group or individual contract with a health maintenance organization to offer mental health benefits.

C
o
p
y

