



January 25, 2000

## SENATE BILL No. 212

DIGEST OF SB 212 (Updated January 20, 2000 2:21 PM - DI 100)

**Citations Affected:** IC 5-10; IC 27-8; IC 27-13; noncode.

**Synopsis:** Insurance coverage for treatment of morbid obesity. Requires the state to provide coverage under group insurance plans for public employees for the treatment of morbid obesity. Requires an insurer that issues an accident and sickness insurance policy and a health maintenance organization that provides coverage for basic health care services under an individual or group contract to offer coverage for the treatment of morbid obesity. Requires that coverage for morbid obesity include surgical treatment. Requires an insurer that requires prior authorization for the treatment of morbid obesity to notify an insured of the determination of coverage not more than 21 days after the date prior authorization is requested.

**Effective:** July 1, 2000.

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### Wheeler, Lewis, Antich, Gard

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January 10, 2000, read first time and referred to Committee on Insurance and Financial Institutions.  
January 24, 2000, amended, reported favorably — Do Pass.

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SB 212—LS 6696/DI 100+



January 25, 2000

Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

## SENATE BILL No. 212

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

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

- 1 SECTION 1. IC 5-10-8-7.7 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2000]: **Sec. 7.7. (a) As used in this section, "health care plan"**  
4 **means:**  
5 (1) a self-insurance program established under section 7(b) of  
6 this chapter to provide group health coverage; or  
7 (2) a contract entered into under section 7(c) of this chapter  
8 to provide health services through a prepaid health care  
9 delivery plan.  
10 (b) As used in this section, "health care provider" means a  
11 physician or medical institution that is specifically qualified to  
12 treat in a comprehensive manner the entire complex of illness and  
13 disease associated with morbid obesity.  
14 (c) As used in this section, "morbid obesity" means:  
15 (1) a weight of at least one hundred (100) pounds more than  
16 or two (2) times the ideal weight for frame, age, height, and  
17 gender, as specified in the 1983 Metropolitan Life Insurance

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1 tables;

2 (2) a body mass index of at least thirty-five (35) kilograms per  
3 meter squared, with comorbidity or coexisting medical  
4 conditions such as hypertension, cardiopulmonary conditions,  
5 sleep apnea, or diabetes; or

6 (3) a body mass index of at least forty (40) kilograms per  
7 meter squared without comorbidity.

8 For purposes of this subsection, body mass index is equal to weight  
9 in kilograms divided by height in meters squared.

10 (d) The state shall provide coverage for treatment of morbid  
11 obesity by a health care provider under a health care plan.

12 (e) The coverage that must be provided under this section  
13 includes surgical treatment of morbid obesity.

14 (f) If a health care plan requires prior authorization for the  
15 treatment of morbid obesity, the covered individual must be  
16 notified by a person who administers the health care plan of the  
17 determination of coverage not more than twenty-one (21) days  
18 after the date prior authorization is requested.

19 SECTION 2. IC 27-8-14.1 IS ADDED TO THE INDIANA CODE  
20 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
21 JULY 1, 2000]:

22 **Chapter 14.1. Coverage for Services Related to Morbid Obesity**

23 **Sec. 1. (a) As used in this chapter, "accident and sickness  
24 insurance policy" means an insurance policy that:**

- 25 (1) provides one (1) or more of the types of insurance  
26 described in IC 27-1-5-1, classes 1(b) and 2(a); and  
27 (2) is issued on an individual or a group basis.

28 (b) As used in this chapter, "accident and sickness insurance  
29 policy" does not include:

- 30 (1) accident only;  
31 (2) credit;  
32 (3) dental;  
33 (4) vision;  
34 (5) Medicare supplement;  
35 (6) long term care; or  
36 (7) disability income;

37 insurance.

38 **Sec. 2. As used in this chapter, "health care provider" means a  
39 physician or medical institution that is specifically qualified to  
40 treat in a comprehensive manner the entire complex of illness and  
41 disease associated with morbid obesity.**

42 **Sec. 3. As used in this chapter, "morbid obesity" means:**

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1 (1) a weight of at least one hundred (100) pounds more than  
 2 or two (2) times the ideal weight for frame, age, height, and  
 3 gender, as specified in the 1983 Metropolitan Life Insurance  
 4 tables;

5 (2) a body mass index of at least thirty-five (35) kilograms per  
 6 meter squared, with comorbidity or coexisting medical  
 7 conditions such as hypertension, cardiopulmonary conditions,  
 8 sleep apnea, or diabetes; or

9 (3) a body mass index of at least forty (40) kilograms per  
 10 meter squared without comorbidity.

11 For purposes of this section, body mass index is equal to weight in  
 12 kilograms divided by height in meters squared.

13 **Sec. 4.** An insurer that issues an accident and sickness insurance  
 14 policy shall offer coverage for the treatment of morbid obesity by  
 15 a health care provider.

16 **Sec. 5.** The coverage that must be offered under this chapter  
 17 includes surgical treatment of morbid obesity.

18 **Sec. 6.** If an insurer that issues an accident and sickness  
 19 insurance policy requires prior authorization for the treatment of  
 20 morbid obesity, the insured must be notified of the insurer's  
 21 determination of coverage not more than twenty-one (21) days  
 22 after the date prior authorization is requested.

23 SECTION 3. IC 27-13-7-14.5 IS ADDED TO THE INDIANA  
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 25 [EFFECTIVE JULY 1, 2000]: **Sec. 14.5.** (a) As used in this section,  
 26 "health care provider" means a physician or medical institution  
 27 that is specifically qualified to treat in a comprehensive manner the  
 28 entire complex of illness and disease associated with morbid  
 29 obesity.

30 (b) As used in this section, "morbid obesity" means:

31 (1) a weight of at least one hundred (100) pounds more than  
 32 or two (2) times the ideal weight for frame, age, height, and  
 33 gender as specified in the 1983 Metropolitan Life Insurance  
 34 tables;

35 (2) a body mass index of at least thirty-five (35) kilograms per  
 36 meter squared with comorbidity or coexisting medical  
 37 conditions such as hypertension, cardiopulmonary conditions,  
 38 sleep apnea, or diabetes; or

39 (3) a body mass index of at least forty (40) kilograms per  
 40 meter squared without comorbidity.

41 For purposes of this subsection, body mass index equals weight in  
 42 kilograms divided by height in meters squared.



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- 1           (c) A health maintenance organization that provides coverage
- 2           for basic health care services under an individual or group
- 3           contract shall offer coverage for the treatment of morbid obesity
- 4           by a health care provider.
- 5           (d) The coverage that must be offered under this section
- 6           includes surgical treatment of morbid obesity.
- 7           (e) If a health maintenance organization contract requires prior
- 8           authorization for the treatment of morbid obesity, the enrollee
- 9           must be notified of the health maintenance organization's
- 10          determination of coverage not more than twenty-one (21) days
- 11          after the date prior authorization is requested.
- 12          SECTION 4. [EFFECTIVE JULY 1, 2000] (a) IC 5-10-8-7.7, as
- 13          added by this act, applies to a self-insurance program or a contract
- 14          to provide health services through a prepaid health care delivery
- 15          plan that is established, delivered, entered into, or renewed after
- 16          June 30, 2000.
- 17          (b) IC 27-8-14.1, as added by this act, applies to policies issued,
- 18          delivered, amended, or renewed after June 30, 2000.
- 19          (c) IC 27-13-7-14.5, as added by this act, applies to contracts
- 20          entered into, delivered, amended, or renewed after June 30, 2000.
- 21          (d) This SECTION expires July 1, 2002.

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SENATE MOTION

Mr. President: I move that Senator Antich be added as coauthor of Senate Bill 212.

WHEELER

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SENATE MOTION

Mr. President: I move that Senator Lewis be added as second author of Senate Bill 212.

WHEELER

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SENATE MOTION

Mr. President: I move that Senator Gard be added as coauthor of Senate Bill 212.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 212, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 3, after "(a)" insert "**As used in this section, "health care plan" means:**

- (1) a self-insurance program established under section 7(b) of this chapter to provide group health coverage; or**
- (2) a contract entered into under section 7(c) of this chapter to provide health services through a prepaid health care delivery plan.**

**(b)".**

Page 1, line 7, delete "(b)" and insert "(c)".

Page 2, line 3, delete "(c)" and insert "(d)".

Page 2, line 3, delete "consider offering" and insert "**provide**".

Page 2, line 4, delete ":" and insert "**a health care plan.**".

Page 2, delete lines 5 through 9.

Page 2, between lines 9 and 10, begin a new paragraph and insert:

**"(e) The coverage that must be provided under this section includes surgical treatment of morbid obesity.**

**(f) If a health care plan requires prior authorization for the treatment of morbid obesity, the covered individual must be notified by a person who administers the health care plan of the determination of coverage not more than twenty-one (21) days after the date prior authorization is requested."**

Page 3, between lines 6 and 7, begin a new paragraph and insert:

**"Sec. 5. The coverage that must be offered under this chapter includes surgical treatment of morbid obesity.**

**Sec. 6. If an insurer that issues an accident and sickness insurance policy requires prior authorization for the treatment of morbid obesity, the insured must be notified of the insurer's determination of coverage not more than twenty-one (21) days after the date prior authorization is requested."**

Page 3, between lines 30 and 31, begin a new paragraph and insert:

**"(d) The coverage that must be offered under this section includes surgical treatment of morbid obesity.**

**(e) If a health maintenance organization contract requires prior authorization for the treatment of morbid obesity, the enrollee must be notified of the health maintenance organization's determination of coverage not more than twenty-one (21) days**



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**after the date prior authorization is requested."**

and when so amended that said bill do pass.

(Reference is to SB 212 as introduced.)

PAUL, Chairperson

Committee Vote: Yeas 7, Nays 2.

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