

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1104 Session of  
1989

INTRODUCED BY WAMBACH, SAURMAN, RYBAK, O'DONNELL, RYAN,  
RICHARDSON, HAYES, MANDERINO, ITKIN, McCALL, FOX, RUDY,  
RAYMOND, PISTELLA, EVANS, JOHNSON, DeWEESE, PETRARCA,  
PHILLIPS, KUKOVICH, SALOOM, RITTER, JACKSON, D. R. WRIGHT,  
LASHINGER, KOSINSKI, CAPPABIANCA, DOMBROWSKI, GEIST, LINTON,  
LETTERMAN, NAHILL, CALTAGIRONE, MILLER, DIETTERICK, MARKOSEK,  
WOZNIAK, JADLOWIEC, MORRIS, STUBAN, CORNELL, STABACK,  
FREEMAN, HAGARTY, KASUNIC, CAWLEY, LAUGHLIN, MICHLOVIC,  
McVERRY, CARN, TIGUE, MRKONIC, CHADWICK, ROBBINS, CLYMER,  
PICCOLA, TRELLO, JAMES, VEON, HECKLER, E. Z. TAYLOR, JOSEPHS,  
BELARDI, COWELL, GIGLIOTTI, CIVERA, MICOZZIE, D. F. CLARK,  
MELIO, STEIGHNER, McHALE, THOMAS, BURD, HERSHEY, ADOLPH,  
PRESTON, LEVDANSKY, DEMPSEY, WILSON, HUGHES, MAINE, WILLIAMS,  
VAN HORNE, COY, BUSH, DURHAM, CORRIGAN, BOWLEY, BILLOW,  
DISTLER, BUNT, TRICH, BORTNER, OLIVER, ACOSTA, HOWLETT,  
J. TAYLOR, J. L. WRIGHT, HARPER, DeLUCA, PETRONE, PRESSMANN,  
LESCOVITZ, GRUITZA, LaGROTTA, R. C. WRIGHT, F. TAYLOR,  
KAISER, HAYDEN, JAROLIN, McNALLY, BATTISTO, LUCYK, BELFANTI,  
SCRIMENTI, ROEBUCK, KONDRICH, ALLEN, HASAY, MARSICO, TELEK,  
COLAFELLA, WASS, DAVIES, BLACK, HESS AND COLE, APRIL 10, 1989

REFERRED TO COMMITTEE ON INSURANCE, APRIL 10, 1989

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An  
2 act relating to insurance; amending, revising, and  
3 consolidating the law providing for the incorporation of  
4 insurance companies, and the regulation, supervision, and  
5 protection of home and foreign insurance companies, Lloyds  
6 associations, reciprocal and inter-insurance exchanges, and  
7 fire insurance rating bureaus, and the regulation and  
8 supervision of insurance carried by such companies,  
9 associations, and exchanges, including insurance carried by  
10 the State Workmen's Insurance Fund; providing penalties; and  
11 repealing existing laws," providing for benefits for drug  
12 abuse and dependency.

13 The General Assembly of the Commonwealth of Pennsylvania  
14 hereby enacts as follows:

1       Section 1. Sections 601-A, 602-A, 604-A, 605-A and 606-A of  
2 the act of May 17, 1921 (P.L.682, No.284), known as The  
3 Insurance Company Law of 1921, added June 11, 1986 (P.L.226,  
4 No.64), are amended to read:

5       Section 601-A. Definitions.--As used in this article the  
6 following words and phrases shall have the meanings given to  
7 them in this section:

8       "Alcohol or drug abuse." Any use of alcohol or other drugs  
9 which produces a pattern of pathological use causing impairment  
10 in social or occupational functioning or which produces  
11 physiological dependency evidenced by physical tolerance or  
12 withdrawal.

13       "Detoxification." The process whereby an alcohol-intoxicated  
14 or drug-intoxicated or alcohol-dependent or drug-dependent  
15 person is assisted, in a facility licensed by the Department of  
16 Health, through the period of time necessary to eliminate, by  
17 metabolic or other means, the intoxicating alcohol or other  
18 drugs, alcohol and other drug dependency factors or alcohol in  
19 combination with drugs as determined by a licensed physician,  
20 while keeping the physiological risk to the patient at a  
21 minimum.

22       "Hospital." A facility licensed as a hospital by the  
23 Department of Health, the Department of Public Welfare, or  
24 operated by the Commonwealth and conducting an alcoholism or  
25 drug addiction treatment program licensed by the Department of  
26 Health.

27       "Inpatient care." The provision of medical, nursing,  
28 counseling or therapeutic services twenty-four hours a day in a  
29 hospital or non-hospital facility, according to individualized  
30 treatment plans.

1 "Non-hospital facility." A facility, licensed by the  
2 Department of Health, for the care or treatment of alcohol-  
3 dependent or other drug-dependent persons, except for  
4 transitional living facilities.

5 "Non-hospital residential care." The provision of medical,  
6 nursing, counseling or therapeutic services to patients  
7 suffering from alcohol or other drug abuse or dependency in a  
8 residential environment, according to individualized treatment  
9 plans.

10 "Outpatient care." The provision of medical, nursing,  
11 counseling or therapeutic services in a hospital or non-hospital  
12 facility on a regular and predetermined schedule, according to  
13 individualized treatment plans.

14 "Partial hospitalization." The provision of medical,  
15 nursing, counseling or therapeutic services on a planned and  
16 regularly scheduled basis in a hospital or non-hospital facility  
17 licensed as an alcoholism or drug addiction treatment program by  
18 the Department of Health, designed for a patient or client who  
19 would benefit from more intensive than are offered in outpatient  
20 treatment but who does not require inpatient care.

21 Section 602-A. Mandated Policy Coverages and Options.--(a)  
22 All group health or sickness or accident insurance policies  
23 providing hospital or medical/surgical coverage and all group  
24 subscriber contracts or certificates issued by any entity  
25 subject to this act, 40 Pa.C.S. Ch. 61 (relating to hospital  
26 plan corporations) or Ch. 63 (relating to professional health  
27 services plan corporations), the act of December 29, 1972  
28 (P.L.1701, No.364), known as the "Health Maintenance  
29 Organization Act," or the act of July 29, 1977 (P.L.105, No.38),  
30 known as the "Fraternal Benefit Society Code," providing

1 hospital or medical/surgical coverage, shall in addition to  
2 other provisions required by this act include within the  
3 coverage those benefits for alcohol or other drug abuse and  
4 dependency as provided in sections 603-A, 604-A and 605-A.

5 (b) The benefits specified in subsection (a) may be provided  
6 through a combination of such policies, contracts or  
7 certificates.

8 (c) The benefits specified in subsection (a) may be provided  
9 through prospective payment plans.

10 (d) The provisions of subsection (a) shall not apply to  
11 Medicare or Medicaid supplemental contracts or limited coverage  
12 accident and sickness policies, such as, but not limited to,  
13 cancer insurance, polio insurance, dental care and similar  
14 policies as may be identified as exempt from this section by the  
15 Insurance Commissioner.

16 Section 604-A. Non-hospital Residential Alcohol or Other  
17 Drug Services.--(a) Minimal additional treatment as a covered  
18 benefit under this article shall be provided in a facility which  
19 meets minimum standards for client-to-staff ratios and staff  
20 qualifications which shall be established by the Office of Drug  
21 and Alcohol Programs and is appropriately licensed by the  
22 Department of Health as an alcoholism or drug addiction  
23 treatment program. Before an insured may qualify to receive  
24 benefits under this section, a licensed physician or licensed  
25 psychologist must certify the insured as a person suffering from  
26 alcohol or other drug abuse or dependency and refer the insured  
27 for the appropriate treatment.

28 (b) The following services shall be covered under this  
29 section:

30 (1) Lodging and dietary services.

(2) Physician, psychologist, nurse, certified addictions counselor and trained staff services.

(3) Rehabilitation therapy and counseling.

(4) Family counseling and intervention.

(5) Psychiatric, psychological and medical laboratory tests.

(6) Drugs, medicines, equipment use and supplies.

(c) The treatment under this section shall be covered, as required by this act, for a minimum of thirty (30) days per year for residential care. Additional days shall be available as provided in section 605-A(d). Treatment may be subject to a lifetime limit, for any covered individual, of ninety (90) days.

Section 605-A. Outpatient Alcohol or Other Drug Services.--

(a) Minimal additional treatment as a covered benefit under this article shall be provided in a facility appropriately licensed by the Department of Health as an alcoholism or drug addiction treatment program. Before an insured may qualify to receive benefits under this section, a licensed physician or licensed psychologist must certify the insured as a person suffering from alcohol or other drug abuse or dependency and refer the insured for the appropriate treatment.

(b) The following services shall be covered under this section:

(1) Physician, psychologist, nurse, certified addictions counselor and trained staff services.

(2) Rehabilitation therapy and counseling.

(3) Family counseling and intervention.

(4) Psychiatric, psychological and medical laboratory tests.

(5) Drugs, medicines, equipment use and supplies.

(c) Treatment under this section shall be covered as required by this act for a minimum of thirty outpatient, full-

1 session visits or equivalent partial visits per year. Treatment  
2 may be subject to a lifetime limit, for any covered individual,  
3 of one hundred and twenty outpatient, full-session visits or  
4 equivalent partial visits.

5 (d) In addition, treatment under this section shall be  
6 covered as required by this act for a minimum of thirty separate  
7 sessions of outpatient or partial hospitalization services per  
8 year, which may be exchanged on a two-to-one basis to secure up  
9 to fifteen additional non-hospital, residential alcohol  
10 treatment days.

11 Section 606-A. Deductibles, Copayment Plans and Prospective  
12 Pay.--(a) Reasonable deductible or copayment plans, or both,  
13 after approval by the Insurance Commissioner, may be applied to  
14 benefits paid to or on behalf of patients during the course of  
15 alcohol or other drug abuse or dependency treatment. In the  
16 first instance or course of treatment, no deductible or  
17 copayment shall be less favorable than those applied to similar  
18 classes or categories of treatment for physical illness  
19 generally in each policy.

20 (b) In the first instance or course of treatment under a  
21 prospective payment plan, no deductible or copayment shall be  
22 less favorable than those applied to similar classes or  
23 categories of treatment for physical illness generally in each  
24 policy.

25 Section 2. Section 18 of the act of June 11, 1986 (P.L.226,  
26 No.64), entitled "An act amending the act of May 17, 1921  
27 (P.L.682, No.284), entitled 'An act relating to insurance;  
28 amending, revising, and consolidating the law providing for the  
29 incorporation of insurance companies, and the regulation,  
30 supervision, and protection of home and foreign insurance

1 companies, Lloyds associations, reciprocal and inter-insurance  
2 exchanges, and fire insurance rating bureaus, and the regulation  
3 and supervision of insurance carried by such companies,  
4 associations, and exchanges, including insurance carried by the  
5 State Workmen's Insurance Fund; providing penalties; and  
6 repealing existing laws,' further providing for investments;  
7 requiring alcohol abuse and dependency coverage; providing civil  
8 immunity for persons who furnish or receive information relating  
9 to suspected fraudulent insurance activities; creating a task  
10 force to conduct a review of various factors used in determining  
11 automobile insurance premiums; and making an appropriation," is  
12 repealed.

13 Section 3. This act shall take effect immediately.