

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1104 Session of
1989

INTRODUCED BY WAMBACH, SAURMAN, RYBAK, O'DONNELL, RYAN,
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MELIO, STEIGHNER, McHALE, THOMAS, BURD, HERSHEY, ADOLPH,
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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

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, OCTOBER 17, 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

1 hereby enacts as follows:

2 Section 1. Sections 601-A, 602-A, 603-A, 604-A, 605-A and <—
3 606-A of the act of May 17, 1921 (P.L.682, No.284), known as The
4 Insurance Company Law of 1921, added June 11, 1986 (P.L.226,
5 No.64), are amended to read:

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

9 "Alcohol or drug abuse." Any use of alcohol or other drugs
10 which produces a pattern of pathological use causing impairment
11 in social or occupational functioning or which produces
12 physiological dependency evidenced by physical tolerance or
13 withdrawal. FOR THE PURPOSES OF THIS ACT, DRUGS SHALL BE DEFINED <—
14 AS ADDICTIVE DRUGS AND DRUGS OF ABUSE LISTED AS SCHEDULED DRUGS
15 IN THE ACT OF APRIL 14, 1972 (P.L.233, NO.64), KNOWN AS "THE
16 CONTROLLED SUBSTANCE, DRUG, DEVICE AND COSMETIC ACT."

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

26 "Hospital." A facility licensed as a hospital by the
27 Department of Health, the Department of Public Welfare, or
28 operated by the Commonwealth and conducting an alcoholism or
29 drug addiction treatment program licensed by the Department of
30 Health.

1 "Inpatient care." The provision of medical, nursing,
2 counseling or therapeutic services twenty-four hours a day in a
3 hospital or non-hospital facility, according to individualized
4 treatment plans.

5 "Non-hospital facility." A facility, licensed by the
6 Department of Health, for the care or treatment of alcohol-
7 dependent or other drug-dependent persons, except for
8 transitional living facilities.

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

14 "Outpatient care." The provision of medical, nursing,
15 counseling or therapeutic services in a hospital or non-hospital
16 facility on a regular and predetermined schedule, according to
17 individualized treatment plans.

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

25 Section 602-A. Mandated Policy Coverages and Options.--(a)
26 All group health or sickness or accident insurance policies
27 providing hospital or medical/surgical coverage and all group
28 subscriber contracts or certificates issued by any entity
29 subject to this act, 40 Pa.C.S. Ch. 61 (relating to hospital
30 plan corporations) or Ch. 63 (relating to professional health

1 services plan corporations), the act of December 29, 1972
2 (P.L.1701, No.364), known as the "Health Maintenance
3 Organization Act," or the act of July 29, 1977 (P.L.105, No.38),
4 known as the "Fraternal Benefit Society Code," providing
5 hospital or medical/surgical coverage, shall in addition to
6 other provisions required by this act include within the
7 coverage those benefits for alcohol or other drug abuse and
8 dependency as provided in sections 603-A, 604-A and 605-A.

9 (b) The benefits specified in subsection (a) may be provided
10 through a combination of such policies, contracts or
11 certificates.

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

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

20 SECTION 603-A. INPATIENT DETOXIFICATION.--(A) INPATIENT <—
21 DETOXIFICATION AS A COVERED BENEFIT UNDER THIS ARTICLE SHALL BE
22 PROVIDED EITHER IN A HOSPITAL OR IN AN INPATIENT NON-HOSPITAL
23 FACILITY WHICH HAS A WRITTEN AFFILIATION AGREEMENT WITH A
24 HOSPITAL FOR EMERGENCY, MEDICAL AND PSYCHIATRIC OR PSYCHOLOGICAL
25 SUPPORT SERVICES, MEETS MINIMUM STANDARDS FOR CLIENT-TO-STAFF
26 RATIOS AND STAFF QUALIFICATIONS WHICH SHALL BE ESTABLISHED BY
27 THE DEPARTMENT OF HEALTH AND IS LICENSED AS AN ALCOHOLISM AND/OR
28 DRUG ADDICTION TREATMENT PROGRAM.

29 (B) THE FOLLOWING SERVICES SHALL BE COVERED UNDER INPATIENT
30 DETOXIFICATION:

(1) LODGING AND DIETARY SERVICES.

(2) PHYSICIAN, PSYCHOLOGIST, NURSE, CERTIFIED ADDICTIONS
COUNSELOR AND TRAINED STAFF SERVICES.

(3) DIAGNOSTIC X-RAY.

(4) PSYCHIATRIC, PSYCHOLOGICAL AND MEDICAL LABORATORY
TESTING.

(5) DRUGS, MEDICINES, EQUIPMENT USE AND SUPPLIES.

(C) TREATMENT UNDER THIS SECTION MAY BE SUBJECT TO A
LIFETIME LIMIT, FOR ANY COVERED INDIVIDUAL, OF FOUR ADMISSIONS
FOR DETOXIFICATION AND REIMBURSEMENT PER ADMISSION MAY BE
LIMITED TO SEVEN (7) DAYS OF TREATMENT OR AN EQUIVALENT AMOUNT.

Section 604-A. Non-hospital Residential Alcohol or Other
Drug Services.--(a) Minimal additional treatment as a covered
benefit under this article shall be provided in a facility which
meets minimum standards for client-to-staff ratios and staff
qualifications which shall be established by the Office of Drug
and Alcohol Programs and is 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) 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-session visits or equivalent partial visits per year. Treatment may be subject to a lifetime limit, for any covered individual, of one hundred and twenty outpatient, full-session visits or equivalent partial visits.

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

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

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

Section 2. Section 18 of the act of June 11, 1986 (P.L.226, No.64), entitled "An act amending the act of May 17, 1921 (P.L.682, No.284), entitled 'An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such companies, associations, and exchanges, including insurance carried by the

1 State Workmen's Insurance Fund; providing penalties; and
2 repealing existing laws,' further providing for investments;
3 requiring alcohol abuse and dependency coverage; providing civil
4 immunity for persons who furnish or receive information relating
5 to suspected fraudulent insurance activities; creating a task
6 force to conduct a review of various factors used in determining
7 automobile insurance premiums; and making an appropriation," is
8 repealed.

9 ~~Section 3. This act shall take effect immediately.~~ <—

10 SECTION 3. THIS ACT SHALL TAKE EFFECT AS FOLLOWS: <—

11 (1) THE AMENDMENTS IN SECTION 1 SHALL TAKE EFFECT IN 90
12 DAYS.

13 (2) THE REMAINING PROVISIONS SHALL TAKE EFFECT
14 IMMEDIATELY.