
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1516

Session of
1991

INTRODUCED BY WAMBACH, HECKLER, RICHARDSON, E. Z. TAYLOR, DeWEESE, EVANS, THOMAS, PESCI, KUKOVICH, DeLUCA, STABACK, BELARDI, BELFANTI, LEVDANSKY, BLAUM, TANGRETTI, VEON, JOSEPHS, ITKIN, MELIO, TRELLO, LAUGHLIN, FREEMAN, JAMES, BILLOW, WILLIAMS, JAROLIN, COLAIZZO, MIHALICH, BISHOP, HARPER, CAWLEY, STURLA, R. C. WRIGHT, FEE, COY, NOYE, PISTELLA, ADOLPH, RUDY, ALLEN, McCALL, D. W. SNYDER, MICOZZIE, CIVERA, SCHULER, CLYMER, KRUSZEWSKI, JOHNSON, ACOSTA, GRUITZA, DEMPSEY, KENNEY, ANGSTADT, RITTER, PHILLIPS, GEIST, O'BRIEN, STEIGHNER, MURPHY, TRICH, LEH, OLIVER, JADLOWIEC, STUBAN, MAYERNIK, CALTAGIRONE, CAPPABIANCA, NICKOL, HAYES, COLAFELLA, COHEN, DENT, F. TAYLOR, HESS, PETRONE, ARGALL, KOSINSKI, GALLEN, CORNELL, PICCOLA, VAN HORNE, ULIANA, HUGHES, B. SMITH, COWELL, PETRARCA, RAYMOND, CLARK, J. TAYLOR, MARSICO, ARNOLD, HERMAN, LUCYK, STAIRS, M. N. WRIGHT, WOGAN, PRESTON, GIGLIOTTI, McNALLY, CORRIGAN, SURRA, ROEBUCK, PERZEL, HANNA, DERMODY, GEORGE, MICHLOVIC, BOWLEY, OLASZ, FAJT, COLE, MARKOSEK, ROBINSON, CARONE, BLACK, TELEK, DAVIES, CARLSON, BUSH, GERLACH, KING, LESCOVITZ, LINTON, STETLER, STEELMAN, VANCE, BUTKOVITZ, McHUGH AND BROUJOS, JUNE 3, 1991

SENATOR PETERSON, PUBLIC HEALTH AND WELFARE, IN SENATE, AS
AMENDED, NOVEMBER 10, 1992

AN ACT

- 1 Amending the act of December 29, 1972 (P.L.1701, No.364),
2 entitled "An act providing for the establishment of nonprofit
3 corporations having the purpose of establishing, maintaining
4 and operating a health service plan; providing for
5 supervision and certain regulations by the Insurance
6 Department and the Department of Health; giving the Insurance
7 Commissioner and the Secretary of Health certain powers and
8 duties; exempting the nonprofit corporations from certain
9 taxes and providing penalties," establishing minimum
10 requirements to be satisfied by health maintenance
11 organizations in providing certain drug and alcohol services.
- 12 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. The act of December 29, 1972 (P.L.1701, No.364),
3 known as the Health Maintenance Organization Act, is amended by
4 adding a section to read:

5 Section 4.1. Requirements for Alcohol and Drug Services.--

6 (a) In the implementation of sections 601-A through 606-A of
7 the act of May 17, 1921 (P.L.682, No.284), known as "The
8 Insurance Company Law of 1921," health maintenance organizations
9 shall satisfy all the requirements of this section.

10 (b) (1) Every health maintenance organization shall
11 disclose the specific criteria used by that health maintenance
12 organization, any primary care physician and the utilization,
13 review and appeal personnel to determine the type, level and
14 course of treatment that will be available for any member
15 suffering from alcohol or drug abuse or chemical dependency.
16 Criteria shall be filed with and maintained by the Department of
17 Health. Health maintenance organizations that subcontract any
18 drug or alcohol abuse or chemical dependency services shall file
19 criteria with ~~members~~ and the Department of Health for each of <—
20 their subcontractors. Filing of such criteria with the
21 department shall occur within sixty days of the effective date
22 of this act and within sixty days of issuance or renewal of any
23 contract thereafter. The existence and name of such criteria
24 shall be disclosed to members in each health maintenance
25 organization's member contract, and the criteria shall be
26 provided to the member by the health maintenance organization at
27 no cost immediately upon request.

28 (2) Health maintenance organizations, their subcontractors
29 or personnel involved in patient interviewing or assessment and
30 utilization and review shall utilize criteria established by

1 ASAM or criteria established by the Cleveland Clinic (Cleveland
2 Criteria). In addition, with the approval of the Office of Drug
3 and Alcohol Programs of the Department of Health, nationally
4 recognized criteria, criteria established by the Physicians
5 Advisory Task Force or alternative criteria may be utilized.
6 Health maintenance organizations may utilize such criteria
7 beginning sixty days after submission, pending approval or
8 disapproval by the Office of Drug and Alcohol Programs.
9 Disapproval shall be provided in writing by the Office of Drug
10 and Alcohol Programs based on the adequacy of the criteria to
11 protect the health of subscribers of the health maintenance
12 organization.

13 (3) Any changes to ASAM or Cleveland Criteria, by their
14 respective organizations, will not require review by the Office
15 of Drug and Alcohol Programs. Any changes to all other criteria
16 shall be submitted to the Office of Drug and Alcohol Programs,
17 for approval or disapproval.

18 (4) In addition to the assessment criteria established in
19 clause (2), certain complicating factors affecting the
20 determination of type, level of care and course of treatment
21 shall also be considered and addressed within the limitations of
22 the health maintenance organization in developing alternative
23 criteria. These factors shall include, but not be limited, to
24 all of the following:

25 (i) Job safety and job security.

26 (ii) Public safety.

27 (iii) Drug or alcohol use by the immediate family.

28 (iv) Drug or alcohol use by the extended family.

29 (v) Drug or alcohol use within the environment of the
30 member.

1 (vi) Length and severity of addiction.

2 (vii) Age of onset.

3 (viii) Drug or combination of drugs and alcohol.

4 ~~(ix) Employer standards for alcohol or drug use relative to~~ <—

5 ~~employees.~~

6 ~~(x) Pressures for the creation of drug free workplaces.~~

7 ~~(xi) (IX) Geographic availability of treatment programs.~~ <—

8 ~~(xii) Supportiveness of living and work environment and~~ <—

9 ~~other complicating factors.~~

10 (c) (1) All decisions and assessments using the approved

11 criteria for drug and alcohol treatment and reviews of

12 individuals, including counseling and intervention provided to

13 families with alcohol and drug problems shall be completed in

14 accordance with sections 601-A through 606-A of "The Insurance

15 Company Law of 1921," by trained personnel with acknowledged

16 certification in the area of drug and alcohol abuse or chemical

17 dependency. In no case shall coverage be less than the mandated

18 minimums specified under "The Insurance Company Law of 1921."

19 (2) Acknowledged certification as described in clause (1)

20 shall mean:

21 ~~(i) Certification~~ CERTIFICATION by ASAM in the area of drug <—

22 and alcohol treatment OR LICENSED PSYCHOLOGIST OR PSYCHIATRIST <—

23 WITH EXPERIENCE AND SPECIFIC TRAINING IN THE AREA OF DRUG AND

24 ALCOHOL ABUSE OR CHEMICAL DEPENDENCY;

25 ~~(ii) Certification~~ CERTIFICATION as a certified addiction <—

26 counselor (CAC);

27 ~~(iii) Certification~~ CERTIFICATION under any drug and alcohol <—

28 program recognized by ASAM; OR <—

29 ~~(iv) Certification~~ CERTIFICATION in any three-year training <—

30 program or equivalent life experience in an ODAP-licensed

1 facility or equivalent out-of-State facility.

2 (d) ~~No~~ IN PROVIDING FOR DRUG AND ALCOHOL BENEFITS, NO health <—
3 maintenance organization or employe assistance program or
4 treatment provider shall provide or establish contracts or
5 arrangements to complete initial patient interviews,
6 assessments, pre-certification, concurrent review or any
7 subsequent review where direct compensation or any specific part
8 of compensation to individual or clinical decision makers or
9 managed-care firms depends on the determination of type or
10 course of treatment, length of stay or level of care for an
11 individual patient or groups of patients, whether the individual
12 is an individual subscriber or a subscriber in a group plan.

13 (e) No health maintenance organization or managed-care
14 subcontractor may establish drug and alcohol treatment services
15 to avoid provision of treatment services required under Article
16 VI-A of "The Insurance Company Law of 1921." Nothing in this
17 section shall prohibit health maintenance organizations or
18 managed-care subcontractors from subcontracting with drug and
19 alcohol treatment programs licensed by the Office of Drug and
20 Alcohol Programs.

21 (f) (1) When a patient has begun treatment with a provider
22 of service licensed by the Office of Drug and Alcohol Programs,
23 the health maintenance organization or subcontractor shall not
24 intercede in treatment until the mandated minimum lengths of
25 stay established by the program and Article VI-A of "The
26 Insurance Company Law of 1921" have been satisfied unless
27 otherwise indicated based on the criteria approved under clauses
28 (1) through (4) of subsection (b) of this section.

29 (2) Nothing in this section interferes with the right of the
30 health maintenance organization to concurrent and/or

retrospective review and to request documentation on the progress of the individual at reasonable intervals, as provided in the licensure standards of the Office of Drug and Alcohol Programs. Concurrent and retrospective review of care shall be based on the approved criteria for such care and shall be subject to the applicable grievance procedure.

(3) Using criteria established by the health maintenance organization in subsections (a) and (b) of this section, if the patient meets the standards calling for detoxification FROM ALCOHOL AND OTHER DRUGS, then the ~~case shall be handled as emergency care~~ APPROPRIATE TREATMENT SHALL BE PROVIDED IMMEDIATELY AS ESTABLISHED UNDER SUBSECTIONS (A) AND (B).

However, all such decisions are subject to retrospective and concurrent review and the grievance procedure.

(4) All nonemergency assessments for ~~care~~ DRUG AND ALCOHOL ABUSE SERVICES must be completed within forty-eight hours or the patient shall be permitted to access service for such care, pending such assessment and subject to retrospective or concurrent review and grievance procedures.

(g) Any time a health maintenance organization or managed-care subcontractor denies access for a specific covered treatment or treatment modality or denies continuation of existing treatment, such denial shall be provided in writing to the patient and shall set forth the specific reasons for such denial and the name of the individual making that decision.

(h) (1) The grievance procedures of the Health Financing Bureau shall be in force with the exception that there shall be a specific grievance process for drug and alcohol treatment complaints and grievances in regard to Article VI-A of "The Insurance Company Law of 1921," and that procedure ~~shall be one~~

level, shall resolve complaints within thirty days of
submission, shall have a grievance committee composed of: one
physician member of ASAM appointed by the Pennsylvania
Association of Health Maintenance Organizations, one treatment
provider from a facility licensed by the Office of Drug and
Alcohol Programs, appointed by the Drug and Alcohol Service
Providers Organization, AND one past consumer of addiction
treatment services, appointed by the Office of Drug and Alcohol
Programs SERVICES APPOINTED BY THE DIRECTOR OF THE HEALTH
FINANCING BUREAU.

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(2) The subscriber shall have the right to attend the
procedure or to designate others to represent him or her in the
proceedings. Grievances may be brought by the patient, family,
referral source, health maintenance organization, managed-care
subcontractor or treatment provider.

(i) (1) As part of their annual reporting requirements to
the Department of Health, each health maintenance organization
shall include, for itself and its subcontractors, the following
information: total number of members, numbers receiving drug and
alcohol treatment benefits, drug alcohol treatment benefits
provided by type of service, level of care, length of stay
within each type of service, the names and addresses of all
subcontracting organizations handling this benefit and the names
of all drug and alcohol treatment facilities utilized within the
reporting year.

(2) The Department of Health shall submit these reports with
a summary to the General Assembly at the end of two years on the
extent to which health maintenance organizations are providing
treatment for alcohol and drug abuse to its members as required
under Article VI-A of "The Insurance Company Law of 1921."

1 (j) The Department of Health shall promulgate rules and
2 regulations to implement this section. The Department of Health
3 shall establish filing fees for health maintenance organizations
4 and subcontractors required under this section at a level
5 adequate to support all costs of the section.

6 (k) As used in this section:

7 "ASAM" means the American Society of Addictive Medicine.

8 "ODAP" means the Office of Drug and Alcohol Policy in the
9 Department of Health.

10 Section 2. This act shall take effect in 60 days.