

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 676
Insurance Committee Substitute Adopted 4/23/15

Short Title: Autism Health Insurance Coverage.

(Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO PROVIDE COVERAGE FOR THE TREATMENT OF AUTISM SPECTRUM
DISORDER.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-3-220 reads as rewritten:

"§ 58-3-220. **Mental illness benefits coverage.**

(a) Mental Health Equity Requirement. – Except as provided in subsection (b), an insurer shall provide in each group health benefit plan benefits for the necessary care and treatment of mental illnesses that are no less favorable than benefits for physical illness generally, including application of the same limits. For purposes of this subsection, mental illnesses are as diagnosed and defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV~~, DSM-5, or a subsequent edition published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent edition as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.2 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes. For purposes of this subsection, "limits" includes deductibles, coinsurance factors, co-payments, maximum out-of-pocket limits, annual and lifetime dollar limits, and any other dollar limits or fees for covered services.

(b) Minimum Required Benefits. – Except as provided in subsection (c), a group health benefit plan may apply durational limits to mental illnesses that differ from durational limits that apply to physical illnesses. A group health benefit plan shall provide at least the following minimum number of office visits and combined inpatient and outpatient days for all mental illnesses and disorders not listed in subsection (c), as diagnosed and defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV~~, DSM-5, or a subsequent edition published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent edition as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.2 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes:

- (1) Thirty combined inpatient and outpatient days per year.
- (2) Thirty office visits per year.

...

(h) Definitions. – As used in this section:

- (1) "Health benefit plan" has the same meaning as in G.S. 58-3-167.
- (2) "Insurer" has the same meaning as in G.S. 58-3-167.
- (3) "Mental illness" has the same meaning as in G.S. 122C-3(21), with a mental disorder defined in the Diagnostic and Statistical Manual of Mental



1 Disorders, ~~DSM-IV~~, DSM-5, or subsequent editions published by the
2 American Psychiatric Association, except those mental disorders coded in
3 the ~~DSM-IV~~ DSM-5 or subsequent editions as autism spectrum disorder
4 (299.00), substance-related disorders (291.0 through 292.9 and 303.0
5 through 305.9), those coded as sexual dysfunctions not due to organic
6 disease (302.70 through 302.79), and those coded as "V" codes.

7 (i) Notwithstanding any other provisions of this section, a group health benefit plan
8 that covers both medical and surgical benefits and mental health benefits shall, with respect to
9 the mental health benefits, comply with all applicable standards of Subtitle B of Title V of
10 Public Law 110-343, known as the Paul Wellstone and Pete Domenici Mental Health Parity
11 and Addiction Equity Act of 2008-2008, and the applicable regulations, as amended.

12 (j) Subsection (i) of this section applies only to a group health benefit plan covering a
13 large employer as defined in G.S. 58-68-25(a)(10)."

14 **SECTION 2.** Article 3 of Chapter 58 of the General Statutes is amended by adding
15 a new section to read:

16 "**§ 58-3-192. Coverage for autism spectrum disorder.**

17 (a) As used in this section, the following definitions apply:

18 (1) Adaptive behavior treatment. – Behavioral and developmental interventions
19 that systematically manage instructional and environmental factors or the
20 consequences of behavior that have been shown to be clinically effective
21 through research published in peer reviewed scientific journals and based
22 upon randomized, quasi-experimental, or single subject designs. Both of the
23 following requirements must be met:

24 a. The intervention must be necessary to (i) increase appropriate or
25 adaptive behaviors, (ii) decrease maladaptive behaviors, or (iii)
26 develop, maintain, or restore, to the maximum extent practicable, the
27 functioning of an individual.

28 b. The treatment must be ordered by a licensed physician or licensed
29 psychologist and the treatment must be provided or supervised by
30 one of the following licensed professionals, so long as the services or
31 supervision provided is commensurate with the licensed
32 professional's training, experience, and scope of practice:

33 1. A licensed psychologist or psychological associate.

34 2. A licensed psychiatrist or developmental pediatrician.

35 3. A licensed speech and language pathologist.

36 4. A licensed occupational therapist.

37 5. A licensed clinical social worker.

38 6. A licensed professional counselor.

39 7. A licensed marriage and family therapist.

40 (2) Autism spectrum disorder. – As defined by the most recent edition of the
41 Diagnostic and Statistical Manual of Mental Disorders (DSM) or the most
42 recent edition of the International Statistical Classification of Diseases and
43 Related Health Problems. Autism spectrum disorder is not considered a
44 mental illness as defined in G.S. 58-3-220, 58-51-55, 58-65-90, or 58-67-75.

45 (3) Diagnosis of autism spectrum disorder. – Any medically necessary
46 assessments, evaluations, or tests to determine whether an individual has
47 autism spectrum disorder.

48 (4) Health benefit plan. – As defined in G.S. 58-3-167.

49 (5) Pharmacy care. – Medications prescribed by a licensed health care provider.

50 (6) Psychiatric care. – Direct or consultative services provided by a licensed
51 psychiatrist.

- 1 (7) Psychological care. – Direct or consultative services provided by a licensed
2 psychologist or licensed psychological associate.
- 3 (8) Therapeutic care. – Direct or consultative services provided by a licensed
4 speech therapist, licensed occupational therapist, licensed physical therapist,
5 licensed clinical social worker, licensed professional counselor, or licensed
6 marriage and family therapists.
- 7 (9) Treatment for autism spectrum disorder. – Any of the following care for an
8 individual diagnosed with autism spectrum disorder, or equipment related to
9 that care, ordered by a licensed physician or a licensed psychologist who
10 determines the care to be medically necessary:
- 11 a. Adaptive behavior treatment.
12 b. Pharmacy care.
13 c. Psychiatric care.
14 d. Psychological care.
15 e. Therapeutic care.

16 (b) Except as provided in subsection (c) of this section, health benefit plans shall
17 provide coverage for the screening, diagnosis, and treatment of autism spectrum disorder. No
18 insurer shall terminate coverage or refuse to issue, amend, or renew coverage to an individual
19 solely because the individual is diagnosed with autism spectrum disorder or has received
20 treatment for autism spectrum disorder.

21 (c) Coverage for adaptive behavior treatment under this section may be subject to a
22 maximum benefit of up to forty thousand dollars (\$40,000) per year and may be limited to
23 individuals 18 years of age or younger. Beginning in 2017 and for subsequent years, the
24 amount shall be indexed using the Consumer Price Index for All Urban Consumers for the
25 South Region and shall be rounded to the nearest whole thousand dollars. The index factor shall
26 be the index as of March of the year preceding the change divided by the index as of March
27 2015. This amount shall be posted by the Commissioner no later than April 1 of each year and
28 shall apply to policies renewed or purchased the following calendar year.

29 (d) Coverage under this section may not be denied on the basis that the treatments are
30 habilitative or educational in nature.

31 (e) Coverage under this section may be subject to co-payment, deductible, and
32 coinsurance provisions of a health benefit plan that are not less favorable than the co-payment,
33 deductible, and coinsurance provisions that apply to substantially all medical services covered
34 by the health benefit plan.

35 (f) This section shall not be construed as limiting benefits that are otherwise available
36 to an individual under a health benefit plan.

37 (g) Nothing in this section shall apply to non-grandfathered health plans in the
38 individual and small group markets that are subject to the requirement to cover the essential
39 health benefit package under 45 C.F.R. § 147.150(a). For purposes of this subsection,
40 "non-grandfathered health plan" is a health benefit plan not included in the plans defined under
41 G.S. 58-50-110(10a).

42 (h) This section shall not be construed as affecting any obligation to provide services to
43 an individual under an individualized family service plan, an individualized education program,
44 or an individualized service plan.

45 (i) Notwithstanding subsection (g) of this section, and except as provided in subsection
46 (c) of this section, every health benefit plan shall provide coverage for the screening, diagnosis,
47 and treatment of autism spectrum disorder in accordance with all applicable standards of
48 Subtitle B of Title V of Public Law 110-343, known as the Paul Wellstone and Pete Domenici
49 Mental Health Parity and Addiction Equity Act of 2008, and the applicable regulations, as
50 amended."

51 **SECTION 3.** G.S. 58-51-55(a) reads as rewritten:

1 "(a) Definitions. – As used in this section, the term:

- 2 (1) "Mental illness" has the same meaning as defined in G.S. 122C-3(21), with a
3 mental disorder defined in the Diagnostic and Statistical Manual of Mental
4 Disorders, ~~DSM-IV~~, DSM-5, or a subsequent edition published by the
5 American Psychiatric Association, except those mental disorders coded in
6 the ~~DSM-IV~~–DSM-5 or subsequent editions as autism spectrum disorder
7 (299.00), substance-related disorders (291.0 through 292.9 and 303.0
8 through 305.9), those coded as sexual dysfunctions not due to organic
9 disease (302.70 through 302.79), and those coded as "V" codes.
10 (2) "Chemical dependency" has the same meaning as defined in G.S. 58-51-50,
11 with a mental disorder defined in the Diagnostic and Statistical Manual of
12 Mental Disorders, ~~DSM-IV~~, DSM-5, or subsequent editions published by the
13 American Psychiatric Association."

14 **SECTION 4.** G.S. 58-67-75(a) reads as rewritten:

15 "(a) Definitions. – As used in this section, the term:

- 16 (1) "Mental illness" has the same meaning as defined in G.S. 122C-3(21), with a
17 mental disorder defined in the Diagnostic and Statistical Manual of Mental
18 Disorders, ~~DSM-IV~~, DSM-5, or subsequent editions published by the
19 American Psychiatric Association, except those mental disorders coded in
20 the ~~DSM-IV~~–DSM-5 or subsequent editions as autism spectrum disorder
21 (299.00), substance-related disorders (291.0 through 292.9 and 303.0
22 through 305.9), those coded as sexual dysfunctions not due to organic
23 disease (302.70 through 302.79), and those coded as "V" codes.
24 (2) "Chemical dependency" has the same meaning as defined in G.S. 58-67-70,
25 with a mental disorder defined in the Diagnostic and Statistical Manual of
26 Mental Disorders, ~~DSM-IV~~, DSM-5 or subsequent editions published by the
27 American Psychiatric Association."

28 **SECTION 5.** G.S. 58-65-90(a) reads as rewritten:

29 "(a) Definitions. – As used in this section, the term:

- 30 (1) "Mental illness" has the same meaning as defined in G.S. 122C-3(21), with a
31 mental disorder defined in the Diagnostic and Statistical Manual of Mental
32 Disorders, ~~DSM-IV~~, DSM-5, or subsequent editions published by the
33 American Psychiatric Association, except those mental disorders coded in
34 the ~~DSM-IV~~–DSM-5 or subsequent editions as substance-related disorders
35 (291.0 through 292.9 and 303.0 through 305.9), those coded as autism
36 spectrum disorder (299.00), sexual dysfunctions not due to organic disease
37 (302.70 through 302.79), and those coded as "V" codes.
38 (2) "Chemical dependency" has the same meaning as defined in G.S. 58-65-75,
39 with a mental disorder defined in the Diagnostic and Statistical Manual of
40 Mental Disorders, ~~DSM-IV~~, DSM-5, or subsequent editions published by the
41 American Psychiatric Association."

42 **SECTION 6.** This act becomes effective January 1, 2016, and applies to insurance
43 contracts issued, renewed, or amended on or after that date.