

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 589*
Committee Substitute Favorable 5/26/09
Committee Substitute #2 Favorable 6/3/09
Fourth Edition Engrossed 7/22/09
Senate Appropriations/Base Budget Committee Substitute Adopted 8/5/09

Short Title: Ins.&St. Hlth Plan Cover/Hearing Aids/Autism.

(Public)

Sponsors:

Referred to:

March 16, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE HEALTH BENEFIT PLANS AND THE STATE HEALTH PLAN
3 TO COVER HEARING AIDS AND REPLACEMENT HEARING AIDS; AND TO
4 REQUIRE THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES
5 TO PROVIDE COVERAGE FOR AUTISM TREATMENT DISORDERS.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. Article 3 of Chapter 58 of the General Statutes is amended by adding
8 the following new section to read:

9 "**§ 58-3-285. Coverage for hearing aids.**

10 (a) Every health benefit plan, including the State Health Plan for Teachers and State
11 Employees, shall provide coverage for one hearing aid per hearing-impaired ear up to two
12 thousand five hundred dollars (\$2,500) per hearing aid every 36 months for covered individuals
13 under the age of 22 years subject to subsection (b) of this section. The coverage shall include
14 all medically necessary hearing aids and services that are ordered by a physician or an
15 audiologist licensed in this State. Coverage shall be as follows:

16 (1) Initial hearing aids and replacement hearing aids not more frequently than
17 every 36 months.

18 (2) A new hearing aid when alterations to the existing hearing aid cannot
19 adequately meet the needs of the covered individual.

20 (3) Services, including the initial hearing aid evaluation, fitting, and
21 adjustments, and supplies, including ear molds.

22 (b) The same deductibles, coinsurance, and other limitations as apply to similar services
23 covered under the health benefit plan apply to hearing aids and related services and supplies
24 required to be covered under this section.

25 (c) Nothing in this section prevents an insurer from applying utilization review criteria
26 to determine medical necessity as defined by G.S. 58-50-61 as long as it does so in accordance
27 with all requirements for utilization review programs and medical necessity determinations
28 specified in that section, including the offering of an insurer appeal process and where
29 applicable, health benefit plans external review as provided in Part 4 of Article 50 of Chapter
30 58 of the General Statutes."

31 SECTION 2. G.S. 135-45.8(13), as amended by Section 2(d) of Session Law
32 2009-16, reads as rewritten:

33 "**§ 135-45.8. General limitations and exclusions.**



1 The following shall in no event be considered covered expenses nor will benefits described
2 in G.S. 135-45.6 through G.S. 135-45.11 be payable for:

3 ...

4 (13) Charges for routine eye examinations, eyeglasses or other corrective lenses
5 (except for cataract lenses certified as medically necessary for aphakia
6 persons) ~~and~~, except as authorized under G.S. 58-3-280, hearing aids or
7 examinations for the prescription or fitting thereof.

8"

9 **SECTION 3.(a)** Part 3 of Article 3A of Chapter 135 of the General Statutes is
10 amended by adding the following new section to read:

11 **"§ 135-45.8A. Coverage for autism spectrum disorders.**

12 (a) Benefits for the diagnosis and treatment of autism spectrum disorders for
13 individuals is covered by the Plan and, except as otherwise provided in this section, shall be
14 subject to the same deductibles and coinsurance factors as are benefits for physical illness
15 generally.

16 (b) Coverage under this section shall not be subject to any limits on the number of visits
17 an individual may make to an autism services provider.

18 (c) Coverage for behavioral therapy under this section is subject to a maximum benefit
19 of seventy-five thousand dollars (\$75,000) per year. After December 31, 2009, the Executive
20 Administrator shall, on an annual basis, adjust the maximum benefit for inflation by using the
21 Medical Care Component of the United States Department of Labor Consumer Price Index for
22 all urban consumers (CPI-U). The Executive Administrator shall submit the adjusted maximum
23 benefit for publication no later than June of each calendar year; and the published adjusted
24 maximum benefit shall be applicable in the following Plan year. Payments made by the Plan on
25 behalf of a covered individual for any care, treatment, intervention, service, or item unrelated to
26 autism spectrum disorders shall not be applied towards any maximum benefit established under
27 this section.

28 (d) Except for inpatient services, if a Plan member is receiving treatment for autism
29 spectrum disorders, the Plan may request a review of that treatment not more than once every
30 12 months unless the Plan member's licensed medical doctor or licensed psychologist agrees
31 that a more frequent review is necessary. The cost of obtaining any review shall be borne by the
32 Plan."

33 **SECTION 3.(b)** G.S. 135-45.1 is amended by adding the following new
34 subdivisions in alphabetical order to read with subdivision designations to be assigned by the
35 Revisor of Statutes:

36 (*) "Autism spectrum disorders." – Any of the pervasive developmental
37 disorders as defined in the Diagnostic and Statistical Manual of Mental
38 Disorders (DSM-IV), or subsequent edition published by the American
39 Psychiatric Association, or the International Statistical Classification of
40 Diseases and Related Health Problems (ICD-10), or subsequent edition
41 published by the World Health Organization.

42 (*) "Behavioral therapy." – Interactive therapies derived from evidence-based
43 research, including, but not limited to, applied behavior analysis. Applied
44 behavior analysis means the design, implementation, and evaluation of
45 environmental modifications, using behavioral stimuli and consequences, to
46 produce socially significant improvement in human behavior, including, but
47 not limited to, the use of direct observation, measurement, and functional
48 analysis of the relationship between environment and behavior.

49 (*) "Habilitative or rehabilitative care." – Professional, counseling, and guidance
50 services and treatment programs, including behavioral therapy, that are

1 necessary to develop, maintain, and restore, to the maximum extent
2 practicable, the functioning of an individual.

3 (*) "Pharmacy care." – Medications prescribed by a licensed medical doctor and
4 any health-related services deemed medically necessary to determine the
5 need or effectiveness of the medications.

6 (*) "Therapeutic care." – Services provided by licensed or certified speech
7 therapists, occupational therapists, or physical therapists.

8 (*) "Treatment for autism spectrum disorders." – Includes the following care
9 prescribed, provided, or ordered for an individual diagnosed with one of the
10 autism spectrum disorders by a licensed medical doctor or a licensed
11 psychologist who determines the care to be medically necessary:

12 a. Habilitative or rehabilitative care.

13 b. Pharmacy care.

14 c. Psychiatric care.

15 d. Psychological care.

16 e. Therapeutic care."

17 **SECTION 4.** Section 3 of this act becomes effective January 1, 2010. The
18 remainder of this act becomes effective March 1, 2010, and applies to health benefit plans that
19 are delivered, issued for delivery, or renewed on and after that date.