

CHAPTER NO. 197

SENATE BILL NO. 61

INTRODUCED BY NORMAN

BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

IN THE SENATE

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| January 9, 1979 | Introduced and referred to Committee on Public Health, Welfare, and Safety. |
| | On motion Senator Norman was added as author to the prefiled bill. |
| February 14, 1979 | Committee recommend bill do pass as amended. Report adopted. |
| February 16, 1979 | Printed and placed on members' desks. |
| February 17, 1979 | Second reading, do pass as amended. |
| February 19, 1979 | Correctly engrossed. |
| February 20, 1979 | Third reading, passed. Transmitted to second house. |

IN THE HOUSE

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| February 21, 1979 | Introduced and referred to Committee on Human Services. |
| March 5, 1979 | Committee recommend bill be concurred in. Report adopted. |
| March 6, 1979 | Second reading, concurred in. |
| March 8, 1979 | Third reading, concurred in. |

IN THE SENATE

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| March 9, 1979 | Returned from second house. Concurred in. Sent to enrolling. |
| | Reported correctly enrolled. |

1 SENATE BILL NO. 61

2 INTRODUCTION BY _____

3 BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ALL INSURANCE
6 COMPANIES, INCLUDING HEALTH SERVICE CORPORATIONS, WHO ISSUE
7 HEALTH INSURANCE POLICIES IN MONTANA TO INCLUDE PROVISIONS
8 IN THE CONTRACTS FOR THE COVERAGE OF THE TREATMENT OF
9 ALCOHOLISM, CHEMICAL DEPENDENCY, AND DRUG ADDICTION."

10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Coverage of alcohol, chemical, or drug
13 treatment required. All insurance companies, including
14 health service corporations, shall include in accident and
15 health insurance policies and group subscriber contracts
16 coverage for the treatment of alcoholism, chemical
17 dependency, and drug addiction.

18 Section 2. Election to refuse benefits. The individual
19 insured may elect in writing to refuse benefits under
20 [section 1] in exchange for an appropriate reduction in
21 premiums or subscriber charges under the policy or plan.

22 Section 3. Place of treatment. The policy or health
23 service contract upon issuance or renewal shall provide for
24 payment of benefits for the treatment of alcoholism,
25 chemical dependency, or drug addiction on the same basis as

1 coverage for other benefits where treatment is rendered in:
2 (1) a licensed hospital;
3 (2) a residential treatment program licensed by the
4 state of Montana pursuant to diagnosis or recommendation by
5 a doctor of medicine;
6 (3) a nonresidential treatment program approved or
7 licensed by the state of Montana.

-End-

Approved by Committee
on Public Health, Welfare
& Safety

SENATE BILL NO. 61

INTRODUCED BY NORMAN

BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

A BILL FOR AN ACT ENTITLED: ~~"AN ACT REQUIRING ALL INSURANCE COMPANIES, INCLUDING HEALTH SERVICE CORPORATIONS, WHO ISSUE HEALTH INSURANCE POLICIES IN MONTANA TO INCLUDE PROVISIONS TO INSURE THE AVAILABILITY OF BASIC LEVELS OF BENEFITS UNDER HEALTH INSURANCE POLICIES AND IN THE CONTRACTS FOR THE COVERAGE OF THE CARE AND TREATMENT OF ALCOHOLISM, CHEMICAL DEPENDENCY, AND DRUG ADDICTION."~~

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Refer to Introduced Bill

(Strike everything after the enacting clause and insert:)

Section 1. Purpose. The purpose of [this act] is to encourage consumers to avail themselves of basic levels of benefits under health insurance policies and contracts for the care and treatment of alcoholism and drug addiction, and to preserve the rights of the consumer to select such coverage according to his medical and economic needs.

Section 2. Definitions. For purposes of [this act], the following definitions apply:

(1) "Inpatient hospital benefits" means benefits payable for charges made by a hospital, as defined in the

policy or contract, for the necessary care and treatment of alcoholism or drug addiction furnished to a covered person while confined as a hospital inpatient; and with respect to major medical policies or contracts, also includes those benefits payable for charges made by a physician, as defined in the policy or contract, for the necessary care and treatment of alcoholism or drug addiction furnished to a covered person while confined as a hospital inpatient.

(2) "Outpatient benefits" means benefits payable for:

(a) reasonable charges made by a hospital for the necessary care and treatment of alcoholism or drug addiction furnished to a covered person while not confined as a hospital inpatient;

(b) reasonable charges for services rendered or prescribed by a physician for the necessary care and treatment for alcoholism or drug addiction furnished to a covered person while not confined as a hospital inpatient; and

(c) reasonable charges made by an alcoholism or drug addiction treatment center for the necessary care and treatment of a covered person provided in the treatment center.

(3) "Alcoholism treatment center" and "drug addiction treatment center" mean a treatment facility which provides a program for the treatment of alcoholism or drug addiction

1 pursuant to a written treatment plan approved and monitored
 2 by a physician, and which facility is also: (a) affiliated
 3 with a hospital under a contractual agreement with an
 4 established system for patient referral; or (b) licensed,
 5 certified, or approved as an alcoholism or drug addiction
 6 treatment center by the state.

7 Section 3. Availability of coverage for alcoholism and
 8 drug addiction. Insurers and health service corporations
 9 transacting health insurance in this state must make
 10 available under hospital and medical expenses incurred
 11 insurance policies and under hospital and medical service
 12 plan contracts the level of benefits specified in this
 13 section for the necessary care and treatment of alcoholism
 14 and drug addiction subject to the right of the applicant for
 15 a group or individual policy or contract to reject the
 16 coverage or to select any alternative level of benefits as
 17 may be offered by the insurer or service plan corporation.

18 (1) Under basic hospital expense policies or
 19 contracts, inpatient hospital benefits consisting of
 20 durational limits, dollar limits, deductibles, and
 21 coinsurance factors that are not less favorable than for
 22 physical illness generally, except that benefits may be
 23 limited to not less than 30 calendar days per year as
 24 defined in the policy or contract.

25 (2) Under major medical policies or contracts,

1 inpatient hospital benefits and outpatient benefits
 2 consisting of durational limits, dollar limits, deductibles,
 3 and coinsurance factors that are not less favorable than for
 4 physical illness generally, except that:

5 (a) Inpatient hospital benefits may be limited to not
 6 less than 30 calendar days per year as defined in the policy
 7 or contract. If inpatient hospital benefits are provided
 8 beyond 30 calendar days per year, the durational limits,
 9 dollar limits, deductibles, and coinsurance factors
 10 applicable thereto need not be the same as applicable to
 11 physical illness generally.

12 (b) For outpatient benefits, the coinsurance factor
 13 may not exceed 50% or the coinsurance factor applicable for
 14 physical illness generally, whichever is greater, and the
 15 maximum benefit for alcoholism and drug addiction in the
 16 aggregate during any applicable benefit period may be
 17 limited to not less than \$1,000.

18 (c) Maximum lifetime benefits may, for alcoholism or
 19 drug addiction in the aggregate, be no less than an amount
 20 equal to the lesser of \$10,000 or 25% of the lifetime policy
 21 limit.

22 Section 4. Applicability. [This act] applies to
 23 policies or contracts delivered or issued for delivery in
 24 this state more than 120 days after [the effective date of
 25 this act] but does not apply to blanket, short term travel,

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1 accident only, limited or specified disease, individual
2 conversion policies or contracts, or to policies or
3 contracts designed for issuance to persons eligible for
4 coverage under Title XVIII of the Social Security Act, known
5 as Medicare, or any other similar coverage under state or
6 federal governmental plans.

-End-

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4 coverage under Title XVIII of the Social Security Act, known
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6 federal governmental plans.

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 7 ~~HEALTH INSURANCE POLICIES IN MONTANA TO INCLUDE PROVISIONS~~
 8 ~~TO INSURE THE AVAILABILITY OF BASIC LEVELS OF BENEFITS UNDER~~
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