

Introduced by

Legislative Management

(Health Care Reform Review Committee)

1 A BILL for an Act to amend and reenact sections 26.1-36-08 and 26.1-36-09 of the North
2 Dakota Century Code, relating to health insurance coverage of substance abuse treatment; to
3 repeal section 26.1-36-08.1 of the North Dakota Century Code, relating to alternative health
4 insurance coverage of substance abuse treatment; and to provide for application.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 26.1-36-08 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **26.1-36-08. ~~Group health policy and health service contract substance~~Substance
9 abuse coverage.**

- 10 1. An insurance company, nonprofit health service corporation, or health maintenance
11 organization may not deliver, issue, execute, or renew any health insurance policy or
12 health service contract on ~~an individual,~~ group, blanket, franchise, or association
13 basis unless the policy or contract provides benefits, of the same type offered under
14 the policy or contract for other illnesses, for health services to any individual covered
15 under the policy or contract, for the diagnosis, evaluation, and treatment of alcoholism,
16 drug addiction, or other related illness, which benefits meet or exceed the benefits
17 provided in subsection 2.
- 18 2. The benefits must be provided for inpatient treatment, treatment by partial
19 hospitalization, residential treatment, and outpatient treatment:
- 20 a. In the case of benefits provided for inpatient treatment, the ~~benefits must be~~
21 ~~provided for a minimum of sixty days of services covered under this section and~~
22 ~~section 26.1-36-09 in any calendar year. Services provided under this subdivision~~
23 services must be provided by an addiction treatment program licensed under
24 chapter 50-31.

- 1 b. In the case of benefits provided for partial hospitalization, the benefits must be
2 provided for a minimum of one hundred twenty days of services covered under
3 this section and section 26.1-36-09 in any calendar year. Services provided
4 under this subdivision must be provided by an addiction treatment program
5 licensed under chapter 50-31. For services provided in regional human service
6 centers, charges must be reasonably similar to the charges for care provided by
7 hospitals as defined in this subsection.
- 8 c. Benefits may also be provided for a combination of inpatient and partial
9 hospitalization treatment. For the purpose of computing the period for which
10 benefits are payable, each day of inpatient treatment is equivalent to two days of
11 treatment by partial hospitalization, provided that no more than forty-six days of
12 the inpatient treatment benefits required by this section may be traded for
13 treatment by partial hospitalization. In the case of coverage for residential
14 treatment, the benefits must be provided by an addiction treatment program
15 licensed under chapter 50-31.
- 16 d. In the case of benefits provided for outpatient treatment, the benefits must be
17 provided for a minimum of twenty visits for services covered under this section in
18 any calendar year, provided the diagnosis, evaluation, and treatment services
19 are must be provided within the scope of licensure by a licensed physician, or a
20 licensed psychologist who is eligible for listing on the national register of health
21 service providers in psychology, or the treatment services are must be provided
22 within the scope of licensure by a licensed addiction counselor. The insurance
23 company, nonprofit health service corporation, or health maintenance
24 organization may not establish a deductible or a copayment for the first five visits
25 in any calendar year, and may not establish a copayment greater than twenty
26 percent for the remaining visits. The deductible limitation of this subdivision does
27 not apply to a high-deductible health plan used to establish a health savings
28 account pursuant to and as defined in section 223 of the Internal Revenue Code
29 [26 U.S.C. 223].
- 30 e. If the services are provided by a provider outside a preferred provider network
31 without a referral from within the network, the insurance company, nonprofit

1 health service corporation, or health maintenance organization may establish a
2 copayment greater than twenty percent for only those visits after the first five
3 visits in any calendar year.

4 f. As used in this section and ~~section 26.1-36-08.1~~, partial hospitalization means
5 continuous treatment for at least three hours, but not more than twelve hours, in
6 any twenty-four-hour period and includes the medically necessary treatment
7 services provided by licensed professionals under the supervision of a licensed
8 physician.

9 3. This section does not prevent any insurance company, nonprofit health service
10 corporation, or health maintenance organization from issuing, delivering, or renewing,
11 at its option, any policy or contract containing provisions similar to those required by
12 this section, when the policy or contract is not subject to such provisions.

13 **SECTION 2. AMENDMENT.** Section 26.1-36-09 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **26.1-36-09. Group health policy and health service contract mental disorder**
16 **coverage.**

17 1. An insurance company, nonprofit health service corporation, or health maintenance
18 organization may not deliver, issue, execute, or renew any health insurance policy or
19 health service contract on a group or blanket or franchise or association basis unless
20 the policy or contract provides benefits, of the same type offered under the policy or
21 contract for other illnesses, for health services to any person covered under the policy
22 or contract, for the diagnosis, evaluation, and treatment of mental disorder and other
23 related illness, which benefits meet or exceed the benefits provided in subsection 2.

24 2. a. The benefits must be provided for each of the following services: inpatient
25 treatment, treatment by partial hospitalization, residential treatment, and
26 outpatient treatment.

27 b. In the case of benefits provided for inpatient treatment, the benefits must be
28 provided for a minimum of forty-five days of services covered under this section
29 and ~~section 26.1-36-08~~ in any calendar year if provided by a hospital as defined
30 under section 52-01-01 and rules of the state department of health pursuant
31 thereto offering treatment for the prevention or cure of mental disorder or other

1 related illness. An insurance provider may require an individualized treatment
2 plan from the inpatient treatment service provider which indicates that the course
3 of treatment is the most appropriate and least restrictive form of treatment
4 available in the community.

5 c. In the case of benefits provided for partial hospitalization, the benefits must be
6 provided for a minimum of one hundred twenty days of services covered under
7 this section ~~and section 26.1-36-08~~ in any calendar year. Partial hospitalization
8 must be provided by a hospital as defined under section 52-01-01 and rules of
9 the state department of health pursuant thereto or by a regional human service
10 center licensed under section 50-06-05.2, offering treatment for the prevention or
11 cure of mental disorder or other related illness. For services provided in regional
12 human service centers, charges must be reasonably similar to the charges for
13 care provided by hospitals as defined in this subsection.

14 d. In the case of benefits provided for residential treatment, the benefits must be
15 provided for a minimum of one hundred twenty days of services covered under
16 this section in any calendar year. Residential treatment services must be
17 provided by a hospital as defined under section 52-01-01 and rules of the state
18 department of health; by a regional human service center licensed under section
19 50-06-05.2 offering treatment for the prevention or cure of mental disorder or
20 other related illness; or by a residential treatment program. For services provided
21 in a regional human service center, charges must be reasonably similar to the
22 charges for care provided by a hospital as defined in this subsection.

23 e. Any individual receiving residential treatment services who requires residential
24 treatment service beyond the minimum of one hundred twenty days may trade
25 unused inpatient treatment benefits provided for under subdivision b. For the
26 purpose of computing the period for which benefits are payable, each day of
27 inpatient treatment is equivalent to two days of treatment by a residential
28 treatment program; provided, however, that no more than twenty-three days of
29 the inpatient treatment benefits required by this section may be traded for
30 residential treatment services.

- 1 f. (1) In the case of benefits provided for outpatient treatment, the benefits must
2 be provided for a minimum of thirty hours for services covered under this
3 section in any calendar year if the treatment services are provided within the
4 scope of licensure by a nurse who holds advanced licensure with a scope of
5 practice within mental health or if the diagnosis, evaluation, and treatment
6 services are provided within the scope of licensure by a licensed physician,
7 a licensed psychologist who is eligible for listing on the national register of
8 health service providers in psychology, a licensed professional clinical
9 counselor who is qualified in the clinical mental health counseling specialty
10 in this state, or a licensed independent clinical social worker.
- 11 (2) A person who is qualified for third-party payment by the board of social work
12 examiners on August 1, 1997, is exempt from paragraph 1.
- 13 (3) Upon the request of an insurance company, a nonprofit health service
14 corporation, or a health maintenance organization, the North Dakota board
15 of social work examiners shall provide to the requesting entity information to
16 certify that a licensed certified social worker meets the qualifications
17 required under this section.
- 18 (4) The insurance company, nonprofit health service corporation, or health
19 maintenance organization may not establish a deductible or a copayment
20 for the first five hours in any calendar year, and may not establish a
21 copayment greater than twenty percent for the remaining hours. The
22 deductible limitation of this paragraph does not apply to a high-deductible
23 health plan used to establish a health savings account pursuant to and as
24 defined in section 223 of the Internal Revenue Code [26 U.S.C. 223].
- 25 (5) If the services are provided by a provider outside a preferred provider
26 network without a referral from within the network, the insurance company,
27 nonprofit health service corporation, or health maintenance organization
28 may establish a copayment greater than twenty percent for only those hours
29 after the first five hours in any calendar year.
- 30 g. "Partial hospitalization" means continuous treatment for at least three hours, but
31 not more than twelve hours, in any twenty-four-hour period and includes the

1 medically necessary treatment services provided by licensed professionals under
2 the supervision of a licensed physician.

3 h. "Residential treatment" has the same meaning as provided in section 25-03.2-01,
4 but only applies to individuals under twenty-one years of age.

5 3. This section does not prevent any insurance company, nonprofit health service
6 corporation, or health maintenance organization from issuing, delivering, or renewing,
7 at its option, any policy or contract containing provisions similar to those required by
8 this section, when the policy or contract is not subject to such provisions.

9 **SECTION 3. REPEAL.** Section 26.1-36-08.1 of the North Dakota Century Code is repealed.

10 **SECTION 4. APPLICATION.** Section 1 of this Act applies to insurance policies issued or
11 renewed after December 31, 2015.