

SENATE BILL No. 348

By Committee on Financial Institutions and Insurance

1-23

AN ACT concerning accident and health insurance; pertaining to the effect of health savings accounts on certain types of coverage; amending K.S.A. 2003 Supp. 40-2,105 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2003 Supp. 40-2,105 is hereby amended to read as follows: 40-2,105. (a) On or after the effective date of this act, every insurer which issues any individual or group policy of accident and sickness insurance providing medical, surgical or hospital expense coverage for other than specific diseases or accidents only and which provides for reimbursement or indemnity for services rendered to a person covered by such policy in a medical care facility, must provide for reimbursement or indemnity under such individual policy or under such group policy, except as provided in subsection (d), which shall be limited to not less than 30 days per year when such person is confined for treatment of alcoholism, drug abuse or nervous or mental conditions in a medical care facility licensed under the provisions of K.S.A. 65-429 and amendments thereto, a treatment facility for alcoholics licensed under the provisions of K.S.A. 65-4014 and amendments thereto, a treatment facility for drug abusers licensed under the provisions of K.S.A. 65-4605 and amendments thereto, a community mental health center or clinic licensed under the provisions of K.S.A. 75-3307b and amendments thereto or a psychiatric hospital licensed under the provisions of K.S.A. 75-3307b and amendments thereto. Such individual policy or such group policy shall also provide for reimbursement or indemnity, except as provided in subsection (d), of the costs of treatment of such person for alcoholism, drug abuse and nervous or mental conditions, limited to not less than 100% of the first \$100, 80% of the next \$100 and 50% of the next \$1,640 in any year and limited to not less than \$7,500 in such person's lifetime, in the facilities enumerated when confinement is not necessary for the treatment or by a physician licensed or psychologist licensed to practice under the laws of the state of Kansas.

(b) For the purposes of this section "nervous or mental conditions" means disorders specified in the diagnostic and statistical manual of mental disorders, fourth edition, (DSM-IV, 1994) of the American psychiatric

1 association but shall not include conditions:

2 (1) Not attributable to a mental disorder that are a focus of attention
3 or treatment (DSM-IV, 1994); and

4 (2) defined as a mental illness in K.S.A. 2003 Supp. 40-2,105a and
5 amendments thereto.

6 (c) The provisions of this section shall be applicable to health main-
7 tenance organizations organized under article 32 of chapter 40 of the
8 Kansas Statutes Annotated.

9 (d) There shall be no coverage under the provisions of this section
10 for any assessment against any person required by a diversion agreement
11 or by order of a court to attend an alcohol and drug safety action program
12 certified pursuant to K.S.A. 8-1008 and amendments thereto or for eval-
13 uations and diagnostic tests ordered or requested in connection with
14 criminal actions, divorce, child custody or child visitation proceedings.

15 (e) The provisions of this section shall not apply to any medicare
16 supplement policy of insurance, as defined by the commissioner of in-
17 surance by rule and regulation.

18 (f) The provisions of this section shall be applicable to the Kansas
19 state employees health care benefits program developed and provided by
20 the Kansas state employees health care commission.

21 (g) The outpatient coverage provisions of this section shall not apply
22 to a high deductible health plan as defined in ~~Section 301 of P.L. 104-~~
23 ~~491 and any amendments thereto~~ *federal law* if such plan is purchased
24 in connection with a medical *or health* savings account pursuant to that
25 act. After the amount of eligible deductible expenses have been paid by
26 the insured, the outpatient costs of treatment of the insured for alcohol-
27 ism, drug abuse and nervous or mental conditions shall be paid on the
28 same level they are provided for a medical condition, subject to the yearly
29 and lifetime maximums provided in subsection (a).

30 Sec. 2. K.S.A. 2003 Supp. 40-2,105 is hereby repealed.

31 Sec. 3. This act shall take effect and be in force from and after its
32 publication in the statute book.

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