

1 SB474
2 152129-1
3 By Senators Smith, Irons, Coleman, Dunn and Figures
4 RFD: Banking and Insurance
5 First Read: 25-APR-13

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8 SYNOPSIS: Under existing federal law, a group health
9 plan and a health insurance issuer providing health
10 insurance coverage in connection with a group
11 health plan that provides medical and surgical
12 benefits for a mastectomy is required to provide,
13 in a case of a participant or beneficiary who is
14 receiving benefits in connection with a mastectomy
15 and who elects breast reconstruction in connection
16 with the mastectomy, coverage for all stages of
17 reconstruction of the breast on which the
18 mastectomy has been performed, surgery and
19 reconstruction of the other breast to produce a
20 symmetrical appearance, and prostheses and physical
21 complications of mastectomy, including lymphedemas
22 in a manner determined in consultation with the
23 attending physician and the patient. The coverage
24 may be subject to annual deductibles and
25 coinsurance provisions as may be deemed appropriate
26 and as are consistent with those established for
27 other benefits under the plan or coverage. Written

1 notice of the availability of the coverage is
2 required to be delivered to the participant upon
3 enrollment and annually thereafter.

4 This bill would require all health benefit
5 plans executed or renewed in this state to include
6 coverage for breast reconstruction surgery after a
7 mastectomy.

8
9 A BILL
10 TO BE ENTITLED
11 AN ACT
12

13 To require health benefit plans to include coverage
14 for breast reconstruction surgery after a mastectomy; and to
15 amend Sections 10A-20-6.16 and 27-21A-23, Code of Alabama
16 1975, as amended by Acts 2012-298 and 2012-429 of the 2012
17 Regular Session, relating to applicability of insurance laws
18 to certain health service plans.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

20 Section 1. (a) All health benefit plans, contracts,
21 and certificates executed, delivered, issued, continued, or
22 renewed after the effective date of this act shall offer, at
23 the time of proposal, sale, or renewal of a policy subject to
24 this act, coverage for breast reconstruction surgery after a
25 mastectomy, which shall include the following:

26 (1) All stages of reconstruction of the breast on
27 which the mastectomy has been performed.

1 (2) Surgery and reconstruction of the other breast
2 to produce a symmetrical appearance in the manner determined
3 to be appropriate by the attending physician and the patient.

4 (b) For purposes of this act, a health benefit plan
5 is an individual insurance plan or policy that covers
6 hospital, medical, or surgical expenses, health maintenance
7 organizations, preferred provider organizations, medical
8 service organizations, physician-hospital organizations, or
9 any other person, firm, corporation, joint venture, or other
10 similar business entity that pays for, purchases, or furnishes
11 health care services to patients, insureds, or beneficiaries
12 in this state. For the purposes of this act, a health benefit
13 plan located or domiciled outside of the State of Alabama is
14 deemed to be subject to this act if it receives, processes,
15 adjudicates, pays, or denies claims for health care services
16 submitted by or on behalf of patients, insureds, or
17 beneficiaries who reside in the State of Alabama or who
18 receive health care services in the State of Alabama. The term
19 includes, but is not limited to, entities created pursuant to
20 Article 6, Chapter 20, Title 10A, Code of Alabama 1975.

21 (c) The coverage required by this section may be
22 subject to the same deductible for similar health care
23 services provided by the policy, contract, or plan as well as
24 a reasonable copayment or coinsurance on the part of the
25 insured.

26 (d) Written notice of the availability of coverage
27 for breast reconstruction surgery shall be delivered to the

1 policyholder prior to the inception of the policy and annually
2 thereafter.

3 (e) An insurer providing coverage under this act and
4 any participating entity through which the insurer offers
5 health services shall not:

6 (1) Deny to a covered person eligibility, or
7 continued eligibility, to enroll or to renew coverage under
8 the terms of the policy or vary the terms of the policy for
9 the purpose or with the effect of avoiding compliance with
10 this act;

11 (2) Provide monetary or other incentives to
12 encourage a covered person to accept less than the minimum
13 protections available under this act;

14 (3) Penalize in any way or reduce or limit the
15 compensation of a health care practitioner for recommending or
16 providing care to a covered person in accordance with this
17 act;

18 (4) Provide monetary or other incentives to a health
19 care practitioner relating to the services provided pursuant
20 to this act intended to induce or have the effect of inducing
21 the practitioner to provide care to a covered person in a
22 manner inconsistent with this act; or

23 (5) Restrict coverage for any portion of a period
24 within a hospital length of stay required under this act in a
25 manner which is inconsistent with the coverage provided for
26 any preceding portion of the stay.

1 Section 2. Sections 10A-20-6.16 and 27-21A-23, Code
2 of Alabama 1975, as amended by Acts 2012-298 and 2012-429 of
3 the 2012 Regular Session, are amended to read as follows:

4 "§10A-20-6.16.

5 "(a) No statute of this state applying to insurance
6 companies shall be applicable to any corporation organized
7 under this article and amendments thereto or to any contract
8 made by the corporation unless expressly mentioned in this
9 article and made applicable; except as follows:

10 "(1) The corporation shall be subject to the
11 provisions regarding annual premium tax to be paid by insurers
12 on insurance premiums.

13 "(2) The corporation shall be subject to the
14 provisions of Chapter 55, Title 27, regarding the prohibition
15 of unfair discriminatory acts by insurers on the basis of an
16 applicant's or insured's abuse status.

17 "(3) The corporation shall be subject to the
18 provisions regarding Medicare Supplement Minimum Standards set
19 forth in Article 2 of Chapter 19 of Title 27, and Long-Term
20 Care Insurance Policy Minimum Standards set forth in Article 3
21 of Chapter 19 of Title 27.

22 "(4) The corporation shall be subject to Section
23 27-1-17, requiring insurers and health plans to pay health
24 care providers in a timely manner.

25 "(5) The corporation shall be subject to the
26 provisions of Chapter 56 of Title 27, regarding the Access to
27 Eye Care Act.

1 "(6) The corporation shall be subject to the
2 regulations promulgated by the Commissioner of Insurance
3 pursuant to Sections 27-7-43 and 27-7-44.

4 "(7) The corporation shall be subject to the
5 provisions of Chapter 54 of Title 27.

6 "(8) The corporation shall be subject to the
7 provisions of Chapter 57 of Title 27, requiring coverage to be
8 offered for the payment of colorectal cancer examinations for
9 covered persons who are 50 years of age or older, or for
10 covered persons who are less than 50 years of age and at high
11 risk for colorectal cancer according to current American
12 Cancer Society colorectal cancer screening guidelines.

13 "(9) The corporation shall be subject to Chapter 58
14 of Title 27, requiring that policies and contracts including
15 coverage for prostate cancer early detection be offered,
16 together with identification of associated costs.

17 "(10) The corporation shall be subject to Chapter 59
18 of Title 27 requiring that policies and contracts including
19 coverage for chiropractic be offered, together with
20 identification of associated costs.

21 "(11) The corporation shall be subject to Chapter
22 54A of Title 27 requiring that policies and contracts to offer
23 coverage for certain treatment for Autism Spectrum Disorder
24 under certain conditions.

25 "(12) The corporation shall be subject to Chapter
26 12A of Title 27.

1 "(13) The corporation shall be subject to Section 1
2 of the act adding this subdivision requiring that policies and
3 contracts include coverage for breast reconstruction surgery
4 after a mastectomy.

5 "(b) The provisions in subsection (a) that require
6 specific types of coverage to be offered or provided shall not
7 apply when the corporation is administering a self-funded
8 benefit plan or similar plan, fund, or program that it does
9 not insure."

10 "§27-21A-23.

11 "(a) Except as otherwise provided in this chapter,
12 provisions of the insurance law and provisions of health care
13 service plan laws shall not be applicable to any health
14 maintenance organization granted a certificate of authority
15 under this chapter. This provision shall not apply to an
16 insurer or health care service plan licensed and regulated
17 pursuant to the insurance law or the health care service plan
18 laws of this state except with respect to its health
19 maintenance organization activities authorized and regulated
20 pursuant to this chapter.

21 "(b) Solicitation of enrollees by a health
22 maintenance organization granted a certificate of authority
23 shall not be construed to violate any provision of law
24 relating to solicitation or advertising by health
25 professionals.

26 "(c) Any health maintenance organization authorized
27 under this chapter shall not be deemed to be practicing

1 medicine and shall be exempt from the provisions of Section
2 34-24-310, et seq., relating to the practice of medicine.

3 "(d) No person participating in the arrangements of
4 a health maintenance organization other than the actual
5 provider of health care services or supplies directly to
6 enrollees and their families shall be liable for negligence,
7 misfeasance, nonfeasance, or malpractice in connection with
8 the furnishing of such services and supplies.

9 "(e) Nothing in this chapter shall be construed in
10 any way to repeal or conflict with any provision of the
11 certificate of need law.

12 "(f) Notwithstanding the provisions of subsection
13 (a), a health maintenance organization shall be subject to
14 Section 27-1-17.

15 "(g) Notwithstanding the provisions of subsection
16 (a), a health maintenance organization shall be subject to the
17 provisions of Chapter 56 of this title, regarding the Access
18 to Eye Care Act.

19 "(h) Notwithstanding the provisions of subsection
20 (a), a health maintenance organization shall be subject to the
21 provisions of Chapter 54 of this title.

22 "(i) Notwithstanding the provisions of subsection
23 (a), a health maintenance organization shall be subject to the
24 provisions of Chapter 57 of this title, requiring coverage to
25 be offered for the payment of colorectal cancer examinations
26 for covered persons who are 50 years of age or older, or for
27 covered persons who are less than 50 years of age and at high

1 risk for colorectal cancer according to current American
2 Cancer Society colorectal cancer screening guidelines.

3 "(j) Notwithstanding the provisions of subsection
4 (a), a health maintenance organization shall be subject to
5 Chapter 58 of Title 27, requiring that policies and contracts
6 including coverage for prostate cancer early detection be
7 offered, together with identification of associated costs.

8 "(k) Notwithstanding the provisions of subsection
9 (a), a health maintenance organization shall be subject to
10 Chapter 59 of this title, requiring that policies and
11 contracts including coverage for chiropractic be offered,
12 together with identification of associated costs.

13 "(l) Notwithstanding the provisions of subsection
14 (a), a health maintenance organization shall be subject to
15 regulations promulgated by the Commissioner of Insurance
16 pursuant to Sections 27-7-43 and 27-7-44.

17 "(m) Notwithstanding the provisions of subsection
18 (a), a health maintenance organization shall be subject to
19 Chapter 12A.

20 "(n) Notwithstanding the provisions of subsection
21 (a), a health maintenance organization shall be subject to
22 Chapter 54A of this title requiring policies and contracts to
23 offer coverage for certain treatment for Autism Spectrum
24 Disorder under certain conditions.

25 "(o) Notwithstanding the provisions of subsection
26 (a), a health maintenance organization shall be subject to
27 Section 1 of the act adding this subsection."

1 Section 3. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.