

1 SB341
2 95000-1
3 By Senators Griffith, Denton, Little (Z), Ross, Benefield, and
4 Smitherman
5 RFD: Banking and Insurance
6 First Read: 12-FEB-08

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, there is no requirement
9 that the various individual or group insurance
10 organizations providing protection, indemnity, or
11 insurance against hospital, medical, or surgical
12 expenses, or health maintenance organizations
13 provide coverage for prosthetics.

14 This bill would require that the various
15 individual or group insurance organizations
16 providing protection, indemnity, or insurance
17 against hospital, medical, or surgical expenses,
18 and health maintenance organizations offer,
19 together with identification of associated costs,
20 policies and contracts including coverage for
21 prosthetics.

22
23 A BILL
24 TO BE ENTITLED
25 AN ACT
26

1 To require that the various individual or group
2 insurance organizations providing protection, indemnity, or
3 insurance against hospital, medical, or surgical expenses, and
4 health maintenance organizations offer coverage for
5 prosthetics, and to amend Sections 10-4-115 and 27-21A-23,
6 Code of Alabama 1975, relating to the applicability of
7 insurance laws to certain health service plans.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. As used in this act, the following terms
10 shall have the following meanings:

11 (1) HEALTH BENEFIT PLAN. Any individual or group
12 plan, employee welfare benefit plan, policy, or contract for
13 health care services issued, delivered, issued for delivery,
14 or renewed in this state by a health care insurer, health
15 maintenance organization, accident and sickness insurer,
16 fraternal benefit society, nonprofit hospital service
17 corporation, nonprofit medical service corporation, health
18 care service plan, or any other person, firm, corporation,
19 joint venture, or other similar business entity that pays for
20 insureds or beneficiaries in this state. The term includes,
21 but is not limited to, entities created pursuant to Article 6,
22 Chapter 4, Title 10, Code of Alabama 1975. A health benefit
23 plan located or domiciled outside of the State of Alabama is
24 deemed to be subject to this act if it receives, processes,
25 adjudicates, pays, or denies claims for health care services
26 submitted by or on behalf of patients, insureds, or
27 beneficiaries who reside in Alabama. Provided, however, the

1 term shall not include accident-only, specified disease,
2 hospital indemnity, Medicare supplement, long-term care,
3 disability income, or other limited benefit health insurance
4 policies.

5 (2) PROSTHETICS. The same meaning as in Section
6 34-25A-3(19), Code of Alabama 1975.

7 Section 2. On and after October 1, 2008, each health
8 benefit plan shall offer, together with identification of
9 associated costs, policies, and contracts, coverage for
10 prosthetics. The coverage shall provide benefits for
11 prosthetics, that, at a minimum, equals the coverage provided
12 for under the federal Medicare Program pursuant to 42 U.S.C.
13 Sections 1395k, 1395l, and 1395m and 42 CFR 414.202, 414.210,
14 414.228, and 410.100.

15 Section 3. (a) The benefits provided in this act
16 shall be subject to the same annual deductible or co-insurance
17 established for all covered benefits within a given policy.
18 Private third party payors may not reduce or eliminate
19 coverage due to the requirements of this act.

20 (b) A health benefit plan subject to this act may
21 not terminate services, reduce capitation payment, or
22 otherwise penalize an attending physician or health care
23 provider who orders medical care consistent with this act.

24 (c) Nothing in this act is intended to expand the
25 list of designations of covered providers as specified in any
26 health benefit plan.

1 Section 4. Sections 10-4-115 and 27-21A-23, Code of
2 Alabama 1975, are amended to read as follows:

3 "§10-4-115.

4 "No statute of this state applying to insurance
5 companies shall be applicable to any corporation organized
6 under the provisions of this article and amendments thereto or
7 to any contract made by the corporation unless expressly
8 mentioned in this article and made applicable; except as
9 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 the
18 provisions of Sections 1 to 3, inclusive, of Act 2008- ,
19 requiring that policies and contracts including coverage for
20 prosthetics be offered, together with identification of
21 associated costs.

22 "§27-21A-23.

23 "(a) Except as otherwise provided in this chapter,
24 provisions of the insurance law and provisions of health care
25 service plan laws shall not be applicable to any health
26 maintenance organization granted a certificate of authority
27 under this chapter. This provision shall not apply to an

1 insurer or health care service plan licensed and regulated
2 pursuant to the insurance law or the health care service plan
3 laws of this state except with respect to its health
4 maintenance organization activities authorized and regulated
5 pursuant to this chapter.

6 "(b) Solicitation of enrollees by a health
7 maintenance organization granted a certificate of authority
8 shall not be construed to violate any provision of law
9 relating to solicitation or advertising by health
10 professionals.

11 "(c) Any health maintenance organization authorized
12 under this chapter shall not be deemed to be practicing
13 medicine and shall be exempt from the provisions of Section
14 34-24-310, et seq., relating to the practice of medicine.

15 "(d) No person participating in the arrangements of
16 a health maintenance organization other than the actual
17 provider of health care services or supplies directly to
18 enrollees and their families shall be liable for negligence,
19 misfeasance, nonfeasance, or malpractice in connection with
20 the furnishing of such services and supplies.

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

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

1 "(g) Notwithstanding the provisions of subsection
2 (a), a health maintenance organization shall be subject to the
3 provisions of Chapter 56 of this title, regarding the Access
4 to Eye Care Act.

5 "(h) Notwithstanding the provisions of subsection
6 (a), a health maintenance organization shall be subject to the
7 provisions of Chapter 54 of this title.

8 "(i) Notwithstanding the provisions of subsection
9 (a), a health maintenance organization shall be subject to the
10 provisions of Chapter 57 of this title, requiring coverage to
11 be offered for the payment of colorectal cancer examinations
12 for covered persons who are 50 years of age or older, or for
13 covered persons who are less than 50 years of age and at high
14 risk for colorectal cancer according to current American
15 Cancer Society colorectal cancer screening guidelines.

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

21 "(k) Notwithstanding the provisions of subsection
22 (a), a health maintenance organization shall be subject to the
23 provisions of Sections 1 to 3, inclusive, of Act 2008-,
24 requiring that policies and contracts including coverage for
25 prosthetics be offered, together with identification of
26 associated costs."

1 Section 5. This act shall become effective on
2 October 1, 2008, following its passage and approval by the
3 Governor, or its otherwise becoming law.