COUNCIL OF THE DISTRICT OF COLUMBIA

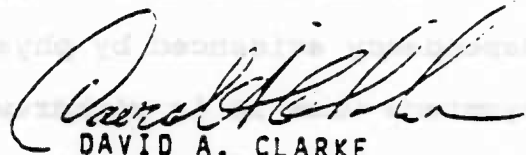
NOTICE

D.C. LAW 6-195

"Drug Abuse, Alcohol Abuse, and Mental Illness Insurance Coverage Act of 1986.

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 6-195 on first, amended first and second readings, November 18, 1986, November 25, 1986 and December 16, 1986, respectively. Following the signature of the Mayor on January 8, 1987, this legislation was assigned Act No. 6-254, published in the January 23, 1987, edition of the D.C. Register, (Vol. 34 page 491) and transmitted to Congress on January 13, 1987 for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 6-195, effective February 28, 1987.



DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

January 13,14,15,16,20,21,22,23,26,27,28,29,30

February 2,3,4,5,6,9,10,11,17,18,19,20,23,24,25,26,27

D.C. LAW 6-195
EFFECTIVE DATE: FEB 28 1987

Enrolled Original

AN ACT

D.C. ACT 6-254

Codification: Chapter 23 of title 35 (198[illegible] supp.)

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JAN 08 1987

To require that certain health insurance policies and contracts provide coverage for the treatment of drug abuse, alcohol abuse, and mental illness; to require health maintenance organizations to provide similar coverage 5 years from the effective date of the act; and to authorize the Superintendent to review the rates and charges for this coverage.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Drug Abuse, Alcohol Abuse, and Mental Illness Insurance Coverage Act of 1986".

Sec. 2. Definitions.

New, D.C. Code sec. 35-2301 (1987 supp.)

For the purposes of this act, the term:

(1) "Alcohol abuse" means any pattern of pathological use of alcohol that causes impairment in social or occupational functioning, or that produces physiological dependency evidenced by physical tolerance or by physical symptoms when it is withdrawn.

(2) "Clinically significant" means sufficient to impair substantially a person's judgment, behavior, capacity to recognize, or ability to cope with the ordinary demands of life.

(3) "Council" means the Council of the District of Columbia.

(4) "Covered benefits" means the health care services or treatment available to an insured party under a health insurance policy or contract for which the insurer will pay part or all of the cost, or the health care services or treatment available to a member of a health maintenance organization as part of the membership contract.

(5) "District" means the District of Columbia.

(6) "Drug abuse" means any pattern of pathological use of a drug that causes impairment in social or occupational functioning, or that produces physiological dependency evidenced by physical tolerance or by physical symptoms when it is withdrawn.

(7) "Health maintenance organization" means a public or private organization that is a qualifying health maintenance organization under federal regulations, or has been determined to be a health maintenance organization pursuant to regulations adopted by the State Health Planning and Development Agency of the District.

(8) "Hospital" means a facility licensed as a hospital by the District or by any state or territory of the United States or operated by the District, any state or territory, or the United States.

(9) "Inpatient services" means therapeutic

services that are medically or psychologically necessary and that are provided in a hospital or a nonhospital residential facility to patients admitted to the hospital or nonhospital residential facility.

(10) "Insurer" means any individual, partnership, corporation, association, fraternal benefit association, nonprofit health service plan, or other business entity that issues, amends, or renews group hospital or major medical insurance policies or contracts in the District. The term "insurer" shall include Group Hospitalization and Medical Services, Incorporated. For the purposes of section 3(g), the term includes any entity that issues, amends, or renews individual hospital or major medical insurance policies or contracts in the District.

(11) "Mayor" means the Mayor of the District of Columbia.

(12) "Medically or psychologically necessary" means essential for the treatment of drug abuse, alcohol abuse, or mental illness, as determined by a physician, psychologist, or social worker.

(13) "Mental illness" means any psychiatric disease identified in the most recent edition of the International Classification of Diseases or of the American Psychiatric Association Diagnostic and Statistical Manual.

(14) "Nonhospital residential facility" means a

facility certified by the District or by any state or territory of the United States as a qualified nonhospital provider of treatment for drug abuse, alcohol abuse, mental illness, or any combination of these, in a residential setting. The term "nonhospital residential facility" includes any facility operated by the District, any state or territory, or the United States to provide these services in a residential setting.

(15) "Outpatient services" means therapeutic services that are medically or psychologically necessary and that are provided to a patient according to an individualized treatment plan that does not require the patient's admission to a hospital or a nonhospital residential facility. The term "outpatient services" refers to services that may be provided in a hospital, a nonhospital residential facility, an outpatient treatment facility, or the office of a licensed physician, psychologist, or social worker.

(16) "Outpatient treatment facility" means a clinic, counseling center, or other similar location that is certified by the District or by any state or territory as a qualified provider of outpatient services for the treatment of drug abuse, alcohol abuse, or mental illness. The term "outpatient treatment facility" includes any facility operated by the District, any state or territory, or the

United States to provide these services on an outpatient basis.

(17) "Peer review" means a system based on written procedures and formally established within the professions of medicine or any of its specialties, psychology, or social work in which a committee of licensed practitioners of the profession reviews another practitioner's diagnosis and treatment in a specific case and reaches conclusions and recommendations concerning the accuracy of the diagnosis, and the necessity, appropriateness, and effectiveness of the treatment provided and proposed by the practitioner compared to alternative treatments. For the purposes of section 11, the term "peer review" shall also mean the professional utilization procedure or any similar procedure employed by health maintenance organizations.

(18) "Physician" means a person licensed to practice medicine by the District pursuant to the District of Columbia Health Occupations Revision Act of 1985, effective March 25, 1986 (D.C. Law 6-99; D.C. Code, sec. 2-3301.1 et seq.), or by the state or territory where the person practices medicine.

(19) "Psychologist" means a person licensed to practice psychology by the District pursuant to the District of Columbia Health Occupations Revision Act of 1985, effective March 25, 1986 (D.C. Law 6-99; D.C. Code, sec.

2-3301.1 et seq.), or by the state or territory where the person practices psychology.

(20) "Social worker" means a person licensed as an independent clinical social worker by the District pursuant to section 804 of the District of Columbia Health Occupations Revision Act of 1985, effective March 25, 1986 (D.C. Law 6-99; D.C. Code, sec. 2-3308.4), or who is licensed to practice social work with authority to engage in the independent practice of psychotherapy by the state or territory where the person practices social work.

(21) "Superintendent" means the Superintendent of Insurance of the District of Columbia.

(22) "Supplemental benefit" means health insurance coverage provided by the District to its employees in addition to the coverage provided through the Federal Employees Health Benefits Plan pursuant to section 2101 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code, sec. 1-622.1).

Sec. 3. Coverage.

New, D.C. Code sec. 35-2302 (1987 supp.)

(a) All group health insurance policies providing coverage on an expenses-incurred basis, and group service or indemnity-type contracts issued by a nonprofit health service plan shall provide coverage for the medical and psychological treatment of drug abuse, alcohol abuse, and

mental illness.

(b) The requirements of this act shall apply to all individual and group health insurance policies and contracts delivered or issued for delivery, or renewed, amended, or reissued in the District more than 120 days after the effective date of rules issued pursuant to section 12.

(c) Covered benefits for drug abuse, alcohol abuse, and mental illness in insurance policies and contracts subject to this act shall be limited to inpatient, residential, and outpatient services certified as medically or psychologically necessary by a physician, psychologist, or social worker.

(d) Before an insured party may qualify to receive benefits under this act, a physician, psychologist, or social worker shall certify that the individual is suffering from drug abuse, alcohol abuse, or mental illness and prescribe appropriate treatment, which may include referral to other treatment providers.

(e) All drug abuse, alcohol abuse, and mental illness treatment or services eligible for health insurance coverage shall be subject to peer review procedures. These procedures may be initiated by an insurer in the course of reviewing claims for payment.

(f) This act shall apply only to group health insurance policies or contracts issued in the District to

cover individuals who are residents of, or employed in, the District.

(g) All individual health insurance policies providing coverage on an expenses-incurred basis, and individual service or indemnity-type contracts issued by a nonprofit health service plan shall offer coverage for the medical and psychological treatment of drug abuse, alcohol abuse, and mental illness. Coverage shall be offered for at least the minimum levels set forth in sections 4 and 5.

(h) Group health insurance policies or contracts that are the result of collective bargaining between a legally-certified union and the employer shall be required to include coverage for inpatient and inpatient and outpatient treatment of drug abuse, alcohol abuse, and mental illness. The minimum levels of coverage set forth in sections 4 and 5 shall not apply to those group health insurance policies or contracts until 5 years from the effective date of this act unless the Mayor requests the Council to extend the exemption to a time certain and the Council, by resolution, approves the extension.

Sec. 4. Drug abuse and alcohol abuse benefits.

New, D.C. Code sec. 35-2303 (1987 supp.)

(a) Covered benefits for services set forth in this section shall be limited to coverage of treatment of clinically significant substance use disorders identified in the most recent edition of the International Classification

of Diseases or of the Diagnostic and Statistical Manual of the American Psychiatric Association.

(b)(1) The process whereby a person who is intoxicated by or dependent on drugs or alcohol or both is assisted through the period of time necessary to eliminate the intoxicating agent from the body, while keeping the physiological risk to the patient at a minimum, shall be a covered benefit.

(2) Treatment under this subsection shall be covered pursuant to section 3 for a minimum of 12 days annually.

(c)(1) Additional treatment as a covered benefit under this act shall be provided by a hospital, a nonhospital residential facility, an outpatient treatment facility, a physician, a psychologist, or a social worker, and shall include inpatient services, outpatient services, or any combination of these, certified as medically or psychologically necessary by a physician, psychologist, or social worker.

(2) Treatment under this subsection shall be covered pursuant to section 3 for a minimum of 28 days per year for inpatient or residential care in a hospital or nonhospital residental facility, and for a minimum of 30 outpatient visits per year.

(d) Treatment regimens which include psychiatric,

psychological, and other prescribed interventions shall be a covered benefit.

Sec. 5. Mental illness benefits.

New, D.C. Code sec. 35-2304 (1987 supp.)

(a) Covered benefits for services set forth in this section shall be limited to coverage of treatment of clinically significant mental illnesses identified in the most recent edition of the International Classification of Diseases or of the Diagnostic and Statistical Manual of the American Psychiatric Association.

(b) Treatment under this section shall be covered pursuant to section 3 for a minimum of 45 days per year for inpatient or residential care in a hospital or nonhospital residential facility, and at a minimum rate of 75% for the first 40 outpatient visits per year and at a minimum rate of 60% for any outpatient visits thereafter for that year.

Sec. 6. Nondiscrimination.

New, D.C. Code sec. 35-2305 (1987 supp.)

Methods of determining levels of payment or reimbursement for services, or for the type of facility charge eligible for payment or reimbursement pursuant to this act, shall be consistent with those for physical illnesses in general and shall take into consideration usual, customary, and reasonable charges for those services. Except as otherwise provided in section 5(b), deductible or copayment plans, and limits on total amounts payable to an individual in a calendar year or lifetime payment limits may

be applied, provided however that the inpatient and outpatient benefits set forth in section 5 shall be provided with a lifetime payment limit of not less than $80,000 or one third of the lifetime maximum for physical illness, whichever is greater.

Sec. 7. Certification of nonhospital residential facilities and outpatient treatment facilities.

New, D.C. Code sec. 35-2306 (1987 supp.)

(a) The Mayor shall certify qualifying nonhospital residential facilities and outpatient treatment facilities in the District in accordance with rules issued pursuant to section 12.

(b) Each certification issued by the Mayor shall state whether the facility is certified as a provider of treatment for drug abuse, alcohol abuse, mental illness, or a combination of these that shall be specified.

(c) To qualify for certification, a nonhospital residential facility or outpatient treatment facility shall demonstrate that:

(1) It offers an organized program for the treatment of drug abuse, alcohol abuse, mental illness, or any combination of these;

(2) It operates under the day-to-day supervision of an individual with demonstrable training and experience in the treatment of drug abuse, alcohol abuse, or mental illness;

(3) It employs sufficient numbers of professional staff members to deliver adequately the services offered to its patient caseload; and

(4) It offers and has the capacity to provide services for the durations specified in sections 4 and 5.

(d) Nothing in this section shall be construed as superseding the requirements of the Health-Care and Community Residence Facility, Hospice and Home Care Licensure Act of 1983, effective February 24, 1984 (D.C. Law 5-48; D.C. Code, sec. 32-1301 et seq.).

Sec. 8. Preservation of certain benefits.

New, D.C. Code sec. 35-2307 (1987 supp.)

Nothing in this act shall serve to diminish the benefits of any insured person or prevent the offering or acceptance of benefits that exceed the minimum benefits required by this act.

Sec. 9. Notification of coverage and benefits.

New, D.C. Code sec. 35-2308 (1987 supp.)

All individual and group health insurance policies shall contain statements, in easily readable type and in easily understandable language, approved by the Superintendent, to inform policyholders and beneficiaries of the coverage and benefits provided or offered pursuant to this act.

Sec. 10. Filing and rate requirements.

New, D.C. Code sec. 35-2309 (1987 supp.)

(a)(1) Notwithstanding the provisions of any other

law, any insurer that issues health insurance policies or contracts in the District shall file with the Superintendent all rates and rating plans, rules, and classifications that it proposes to use in providing or offering the coverage required by this act.

(2) Each insurer shall initially file the documents required by this section no later than 120 days after the effective date of rules issued pursuant to section 12 and shall thereafter file any changes in rates and rating plans, rules, and classifications related to the coverage required by this act in a timely manner in accordance with rules issued by the Superintendent.

(3) The Superintendent shall make the documents filed pursuant to this section available for public inspection during normal business hours.

(b)(1) The rates and charges filed pursuant to subsection (a) of this section shall be subject to review by the Superintendent for a period of 90 calendar days from the date of filing. If after 90 days the Superintendent has not made a final determination on the final rates or charges proposed, the insurer may begin charging the proposed rate. The rates and charges shall remain in effect unless and until, in accordance with the provisions of this section, changed by the insurer or disapproved by the Superintendent.

(2) Except as otherwise provided in section

11(d)(2), rates and charges for the coverage required by this act shall not be excessive and shall be reasonably related to the cost of providing the coverage based on the following factors:

(A) Past and prospective experience within the covered group, or within the geographic region of the District or other regions, concerning the proportion of beneficiaries who use the coverage and the average duration of use;

(B) Usual, customary, and reasonable charges by providers of treatment for drug abuse, alcohol abuse, and mental illness within the District or other regions; and

(C) Past and prospective experience within the covered group, or within the geographic region of the District or other regions, concerning claims filed or services required for physical diseases and disorders by beneficiaries who obtain treatment for drug abuse, alcohol abuse, or mental illness or whose household includes an individual who has obtained treatment for drug abuse, alcohol abuse, or mental illness.

(3) Rates and charges for the coverage required by this act may include a reasonable margin for underwriting profit and contingencies.

(c)(1) The Superintendent shall review all rates and rating plans, rules, and classifications filed pursuant to

this section to determine compliance with this act.

(2) The Superintendent may, following a hearing pursuant to section 109 of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1208; D.C. Code, sec. 1-1509), order adjustments in rates and rating plans, rules, and classifications that the Superintendent determines to be excessive or otherwise not in compliance with this act. The Superintendent may order the insurer to refund to its policyholders a sum equal to the amount of the rate or charge determined to be excessive.

(d) Nothing in this section shall be construed to require uniformity in rates, classifications, rating plans, or charges.

Sec. 11. Health maintenance organizations.—

New, D.C. Code sec. 35-2310 (1987 supp.)

(a) The requirements of this act shall apply to health maintenance organizations 5 years from the effective date of this act unless the Mayor requests the Council to extend the exemption to a time certain and the Council, by resolution, approves the extension.

(b) Upon becoming subject to the requirements of this act, each health maintenance organization shall:

(1) Provide to its members the coverage and benefits required by sections 3, 4, and 5;

(2) Ensure that deductible or copayment plans, durational limits, and methods of determination adopted with

respect to coverage of the benefits required by sections 3, 4, and 5 result in coverage that is determined by the Superintendent to be at least equivalent in actuarial value to the average actuarial value of the plans provided by the insurer with the largest number of enrollees in the District; and

(3) Provide the notification of coverage and benefits required by section 9.

(c) Each health maintenance organization may provide the treatment required by sections 4 and 5 directly by its staff or by referring its members to a hospital or other treatment facility that provides those services under a contract or agreement with the health maintenance organization. Nothing in this act shall require the alteration of any terms and conditions of the health maintenance organization membership contract relating to prior approval by the health maintenance organization for treatment provided to its members by other treatment facilities.

(d)(1) Each health maintenance organization, within 120 days after becoming subject to the requirements of this act, shall file with the Superintendent the membership contracts it proposes to use, identifying its charges for all services and the portion of charges attributable to the services required by this act.

(2) The provisions of section 10, except for subsection (b)(2), shall apply thereafter to the membership contracts and charges filed and implemented by health maintenance organizations. Rates and charges for the coverage required by this act shall not be excessive and shall be reasonably related to the cost of providing the coverage.

Sec. 12. Duties of the Mayor.

New, D.C. Code sec. 35-2311 (1987 supp.)

(a) The Mayor shall, within 120 days from the effective date of this act, issue rules to implement all sections of this act except section 11. The Mayor shall issue rules to implement section 11 no later than 5 years from the effective date of this act.

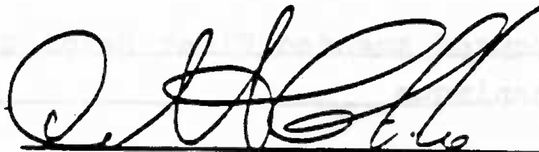
(b) No later than 2 years from the effective date of this act, the Mayor shall provide the coverage and benefits set forth in this act to employees of the District and their dependents as a supplemental benefit. If the Mayor, prior to the expiration of the 2-year period, determines that additional time is needed to come into compliance with this subsection, the Mayor may request an extension and the Council may, by resolution, approve any extension it deems appropriate.

Sec. 13. Effective date.

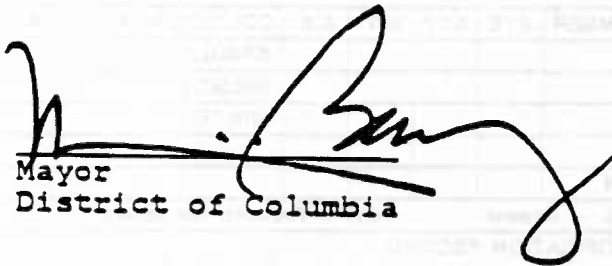
This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in

Enrolled Original

the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code, sec. 1-233(c)(1)).



Chairman
Council of the District of Columbia



Mayor
District of Columbia

Approved: 1-8-87

COUNCIL OF THE DISTRICT OF COLUMBIA
Council Period Six — Second Session

RECORD OF OFFICIAL COUNCIL VOTE

DOCKET NO: 86-195

☐ Item on Consent Calendar

☒ ACTION & DATE: Adopted First Reading, 11-18-86

☒ VOICE VOTE: By Majority, Members Schwartz and Kane voted no

Recorded vote on request

Absent: all present

☐ ROLL CALL VOTE: — RESULT ____/____/____/____/____

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					MASON					SPAULDING				
SMITH, JR.					RAY					WILSON				
CRAWFORD					ROLARK					WINTER				
JARVIS					SCHWARTZ									
KANE					SHACKLETON									

X — Indicates Vote A.B. — Absent N.V. — Present, not voting

CERTIFICATION RECORD

Russell Smith
Secretary to the Council

12/22/86
Date

☐ Item on Consent Calendar

☒ ACTION & DATE: Adopted Amended First Reading, 11-25-86

☒ VOICE VOTE: Unanimous

Recorded vote on request

Absent: Schwartz

☐ ROLL CALL VOTE: — RESULT ____/____/____/____/____

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					MASON					SPAULDING				
SMITH, JR.					RAY					WILSON				
CRAWFORD					ROLARK					WINTER				
JARVIS					SCHWARTZ									
KANE					SHACKLETON									

X — Indicates Vote A.B. — Absent N.V. — Present, not voting

CERTIFICATION RECORD

Russell Smith
Secretary to the Council

12/22/86
Date

☐ Item on Consent Calendar

☒ ACTION & DATE: Adopted Final Reading, 12-16-86

☒ VOICE VOTE: By Majority, Member Mason voted present and Member Schwartz voted no

Recorded vote on request

Absent: all present

☐ ROLL CALL VOTE: — RESULT ____/____/____/____/____

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHMN. CLARKE					MASON					SPAULDING				
SMITH, JR.					RAY					WILSON				
CRAWFORD					ROLARK					WINTER				
JARVIS					SCHWARTZ									
KANE					SHACKLETON									

X — Indicates Vote A.B. — Absent N.V. — Present, not voting

CERTIFICATION RECORD

Russell Smith
Secretary to the Council

12/22/86
Date