

1 SB482
2 136055-1
3 By Senator Bedford
4 RFD: Banking and Insurance
5 First Read: 05-APR-12

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8 SYNOPSIS: To repeal portions of Title 27 of the Code
9 of Alabama 1975.

10
11 A BILL
12 TO BE ENTITLED
13 AN ACT
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15 Relating to the Alabama Insurance Code, to repeal
16 the following:

17 27-1-18 (a) Whenever any group, or blanket hospital
18 or medical expense insurance policy or hospital or medical
19 service contract issued for delivery in this state provides
20 for the reimbursement of health or health related services
21 which includes mental health services, and such services are
22 within the lawful scope of practice of a duly qualified
23 psychiatrist or psychologist, the insured or other person
24 entitled to benefits under such policy or contract shall be
25 entitled to reimbursement for outpatient services, and
26 inpatient services if requested by the attending physician,

1 performed by a duly qualified psychiatrist or psychologist
2 notwithstanding any provisions of the policy or contract to
3 the contrary. (b) For purposes of this section, a duly
4 qualified psychologist means, one who is duly licensed or
5 certified at the doctorate level in the state by the licensing
6 board for psychologists of the state where the service is
7 rendered, has had at least two years post-doctoral, clinical
8 experience in a recognized health setting or has met the
9 standards of the National Register of Health Service Providers
10 in Psychology which require two years post-doctoral, clinical
11 experience. (c) Nothing in this section shall be construed to
12 mandate or require an insurance company to include mental
13 health services in a policy or contract which does not include
14 such services, nor shall it be construed to expand the scope
15 or nature of benefits provided when mental health services are
16 included in a policy or contract. (d) This section shall
17 become effective immediately upon its passage and approval by
18 the Governor, or upon its otherwise becoming law and shall
19 apply to policies or contracts covered by the section
20 delivered or issued for delivery in this state on and after
21 such effective date and to group and blanket policies and
22 contracts issued prior to the effective date on the next
23 anniversary or renewal date or the expiration of the
24 applicable collective bargaining agreement, if any, whichever
25 date is the later.

1 27-1-19 (a) The insured, or health or dental plan
2 beneficiary may assign reimbursement for health or dental care
3 services directly to the provider of services. Health benefits
4 include medical, pharmacy, podiatric, chiropractic,
5 optometric, durable medical equipment, and home care services.
6 The company or agency, when authorized by the insured, or
7 health or dental plan beneficiary, shall pay directly to the
8 health care provider the amount of the claim, under the same
9 criteria and payment schedule that would have been reimbursed
10 directly to the contract provider, and any applicable
11 interest. This amount only applies to assigned claims. Any
12 company or agency making a payment to the insured, or health
13 or dental plan beneficiary, after the rights of reimbursement
14 have been assigned to the provider of services, shall be
15 liable to the provider for the payment. If the company or
16 agency fails to reimburse the provider in accordance with the
17 terms of the provider contract as provided in this section,
18 then the provider shall be entitled to recover in the circuit
19 or district courts of this state from the company or agency
20 responsible for the payment of the claim an amount equal to
21 the value of such claim plus interest and a reasonable
22 attorney's fee to be determined by the court. (b) Nothing in
23 this section shall be construed to limit any insurer, health
24 maintenance organization, preferred provider organization,
25 health care service corporation, or other third party payor
26 from determining the scope of its benefits or services or any

1 other terms of its group and/or individual insured, subscriber
2 or enrollee contracts nor from negotiating contracts with
3 licensed providers on reimbursement rates or any other lawful
4 provisions, except that the contract providing coverage to an
5 insured may not exclude the right of assignment of benefits to
6 any provider at the same benefit rate as paid to a contract
7 provider. (c) This section shall not apply to any persons
8 covered under a state administered health benefit plan.

9 27-1-20 (a) This section shall be known and may be
10 cited as the "Patient Right to Know Act." (b) As used in this
11 section, unless the context clearly indicates otherwise, the
12 following words shall have the following meanings: (1)

13 ENROLLEE. A person who purchases individual health care
14 coverage or an employer who purchases a group health care
15 plan. (2) PROVIDER. A physician, dentist, podiatrist,
16 pharmacist, optometrist, psychologist, clinical social worker,
17 advanced nurse practitioner, registered optician, licensed
18 professional counselor, physical therapist, and chiropractor.

19 (c)(1) All persons, firms, corporations, associations, health
20 maintenance organizations, health insurance services, or
21 preferred provider organizations, any employer-sponsored
22 health benefit plan, or any similar organization or entity,
23 providing health, accident, or dental insurance coverage,
24 either directly or indirectly, shall provide an enrollee with
25 a written description of the terms and conditions of the plan.
26 The written plan description shall be in a simple, readable,

1 and easily understandable format and shall include all of the
2 following: a. Coverage provisions including complete extent
3 and exclusions or restrictions of coverage or service,
4 including, but not limited to the following: 1. Outpatient
5 physician services. 2. Referral to specialty physicians and
6 other providers. 3. Choice of pharmacy providers. 4.
7 Diagnostic tests, including mammography exams. 5. Dental
8 services. 6. Chiropractic services. 7. Hospitalization. 8.
9 Laboratory tests and services. 9. FDA approved therapies.
10 10. Prescription drug coverage. 11. Rehabilitation services,
11 and physical, occupational, and vocational therapy. 12.
12 Mental health services. 13. Long-term care. 14. Full range
13 of reproductive services. b. Extent of benefits provided or
14 excluded, including prescription drug coverage with both
15 generic and brand names. c. Any exclusions or limitations by
16 category of service, provider, and, if applicable, by the
17 specific service or type of drug. d. Any prior
18 authorizations, including procedures for and limitations or
19 restrictions on referrals to a provider other than primary
20 care physicians, dentists, or other review requirements,
21 including preauthorization review, concurrent review,
22 postservice review, and postpayment review. e. An explanation
23 of the financial responsibility for payment of coinsurance or
24 other noncovered or out-of-plan service. f. Disclosure to
25 enrollees that includes the following language: "You have the
26 right to information about how the plan operates its care

1 delivery system and an explanation of the benefits to which
2 participants are entitled under the terms of the plan." g.
3 The phone number and address for the enrollee to obtain
4 additional information concerning the items described in
5 paragraph f.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Sections 27-1-18 to 27-1-20, Code of
8 Alabama 1975, are repealed.

9 Section 2. This act shall become effective
10 immediately following its passage and approval by the
11 Governor, or its otherwise becoming law.