

"AN ACT TO REQUIRE ALL INSURERS, HOSPITAL AND MEDICAL SERVICE CORPORATIONS AND HEALTH MAINTENANCE ORGANIZATIONS TO OFFER ALCOHOL AND DRUG DEPENDENCY COVERAGE IN DISABILITY POLICIES AND CONTRACTS."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Every insurer, hospital and medical service corporation and health maintenance organization transacting health, accident or disability insurance in this State shall offer and make available under all group policies, contracts and plans providing hospital and medical coverage on an expense incurred, service or pre-paid basis, benefits for the necessary care and treatment of alcohol and other drug dependency that are not less favorable than for physical illness generally, subject to the same durational limits, dollar limits, deductibles and coinsurance factors, except as provided in this Act. The offer for these benefits shall be subject to the right of the policy of contract holder to reject the coverage or select any alternative level of benefits. The rejection by the policy or contract holder shall be in writing.

SECTION 2. Any benefits provided under alcohol or drug dependency coverage shall be determined as necessary care and treatment in an alcohol or drug dependency treatment facility or care and treatment in a hospital. For the purposes of this Act, the term alcohol or drug dependency treatment facility shall mean a public or private facility, or unit in a facility, which is engaged in providing 24-hour a day treatment for alcohol or drug dependency or substance abuse, which provides a program for the treatment of alcohol or other drug dependency pursuant to a written treatment plan approved and monitored by a physician, and which facility is also properly licensed or accredited by the Department of Human Services/Office on Alcohol and Drug Abuse Prevention to provide said services.

Such treatment may include detoxification, administration of a therapeutic regimen for the treatment of alcohol or drug dependent or substance abusing persons and related services. The facility or unit may be:

- a. a unit within a general hospital or an attached or freestanding unit of a general hospital,
- b. a unit within a psychiatric hospital or an attached or freestanding unit of a psychiatric hospital,
- c. a freestanding facility specializing in treatment of persons who are substance abusers or are alcohol or drug dependent, and may be identified as "chemical dependency, substance abuse, alcoholism or drug abuse facilities" "social setting detoxification facilities" and "medical detoxification facilities," or by other names if the purpose is to provide treatment of alcohol or drug dependent or substance abusing persons, but shall not include halfway houses or recovery farms.

SECTION 3. Every policy or contract of insurance that provides benefits for alcohol or drug dependency treatment and that provides total annual benefits for all illnesses in excess of six thousand dollars (\$6,000) is subject to the following conditions:

- (1) The policy or contract shall provide, for each 24-month period, a minimum benefit of six thousand dollars (\$6,000) for the necessary care and treatment of alcohol or drug dependency.

- (2) No more than one-half of the policy's or contract's maximum benefits for alcohol or drug dependency for a 24-month period shall be paid for the necessary care and treatment of alcohol or drug dependency in any 30 consecutive day period.
- (3) The policy or contract shall provide a minimum benefit of twelve thousand dollars (\$12,000) for the necessary care and treatment of alcohol or drug dependence for the life of the recipient of benefits.

SECTION 4. Nothing in this Act shall prohibit any certificate or contract from requiring the most cost effective treatment setting to be utilized by the person undergoing necessary care and treatment for alcohol or drug dependency.

SECTION 5. For the purpose of this Act "alcohol or drug dependency" means the pathological use or abuse of alcohol or other drugs in a manner or to a degree that produces an impairment in personal, social or occupational functioning and which may, but need not, include a pattern of tolerance and withdrawal.

SECTION 6. This Act shall apply to group policies or contracts delivered or issued for delivery or renewed in this State 120 days after the effective date of this Act, but shall not apply to blanket short term travel accident only, limited or specified disease, conversion policies or contracts, nor to policies or contracts referred to as medicare supplement policies, designed for issuance to persons eligible for coverage under Title XVIII of the Social Security Act.

APPROVED: April 17, 1987

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