

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 90  
Health Care Committee Substitute Adopted 3/3/99

Short Title: Insurance/Cover Contraceptives.

(Public)

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Sponsors:

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Referred to:

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February 15, 1999

A BILL TO BE ENTITLED

AN ACT TO ENSURE THAT INSURERS THAT PROVIDE HEALTH INSURANCE  
COVERAGE FOR PRESCRIPTION DRUGS OR OUTPATIENT SERVICES  
PROVIDE COVERAGE FOR PRESCRIBED CONTRACEPTIVE DRUGS AND  
DEVICES OR OUTPATIENT CONTRACEPTIVE SERVICES.

The General Assembly of North Carolina enacts:

Section 1. Effective January 1, 2000, Article 3 of Chapter 58 of the General  
Statutes is amended by adding the following new section to read:

**"§ 58-3-174. Coverage for prescription contraceptive drugs or devices and for  
outpatient contraceptive services.**

(a) Every entity providing a health benefit plan that provides coverage for  
prescription drugs or devices shall provide coverage for prescription contraceptive drugs  
or devices. Coverage shall include coverage for the insertion or removal of and any  
medically necessary examination associated with the use of the prescribed contraceptive  
drug or device. Except as otherwise provided in this subsection, the same deductibles,  
coinsurance, and other limitations as apply to prescription drugs or devices covered under  
the health benefit plan shall apply to coverage for prescribed contraceptive drugs or  
devices. A health benefit plan may require that the total coinsurance, based on the useful

1 life of the drug or device, be paid in advance for those drugs or devices that are inserted  
2 or prescribed and do not have to be refilled on a periodic basis.

3 (b) Every entity providing a health benefit plan that provides coverage for  
4 outpatient services provided by a health care professional shall provide coverage for  
5 outpatient contraceptive services. The same deductibles, coinsurance, and other  
6 limitations as apply to outpatient services covered under the health benefit plan shall  
7 apply to coverage for outpatient contraceptive services.

8 (c) As used in this section, the term:

9 (1) 'Health benefit plan' means an accident and health insurance policy or  
10 certificate; a nonprofit hospital or medical service corporation contract;  
11 a health maintenance organization subscriber contract; a plan provided  
12 by a multiple employer welfare arrangement; or a plan provided by  
13 another benefit arrangement, to the extent permitted by the Employee  
14 Retirement Income Security Act of 1974, as amended, or by any waiver  
15 of or other exception to that Act provided under federal law or  
16 regulation. 'Health benefit plan' does not mean any plan implemented or  
17 administered by the North Carolina Department of Health and Human  
18 Services or the United States Department of Health and Human  
19 Services, or any successor agency, or its representatives. 'Health benefit  
20 plan' also does not mean any of the following kinds of insurance:

21 a. Accident.

22 b. Credit.

23 c. Disability income.

24 d. Long-term care or nursing home care.

25 e. Medicare supplement.

26 f. Specified disease.

27 g. Dental or vision.

28 h. Coverage issued as a supplement to liability insurance.

29 i. Workers' compensation.

30 j. Medical payments under automobile or homeowners.

31 k. Hospital income or indemnity.

32 l. Insurance under which benefits are payable with or without  
33 regard to fault and that is statutorily required to be contained in  
34 any liability policy or equivalent self-insurance.

35 (2) 'Insurer' includes an insurance company subject to this Chapter, a  
36 service corporation organized under Article 65 of this Chapter, a health  
37 maintenance organization organized under Article 67 of this Chapter,  
38 and a multiple employer welfare arrangement subject to Article 49 of  
39 this Chapter.

40 (3) 'Outpatient contraceptive services' means consultations, examinations,  
41 procedures, and medical services provided on an outpatient basis and  
42 related to the use of contraceptive methods to prevent pregnancy.

1           (4) 'Prescribed contraceptive drugs or devices' means drugs or devices  
2 approved by the United States Food and Drug Administration for use as  
3 contraceptives and obtained under a prescription written by a health care  
4 provider authorized to prescribe medications under the laws of this  
5 State.

6       (d) A health benefit plan subject to this section shall not do any of the following:

7           (1) Deny eligibility or continued eligibility to enroll or to renew coverage  
8 under the terms of the health benefit plan, solely for the purpose of  
9 avoiding the requirements of this section.

10          (2) Provide monetary payments or rebates to an individual participant or  
11 beneficiary to encourage the individual participant or beneficiary to  
12 accept less than the minimum protections available under this section.

13          (3) Penalize or otherwise reduce or limit the reimbursement of an attending  
14 provider because the provider prescribed contraceptive drugs or devices,  
15 or provided contraceptive services in accordance with this section.

16          (4) Provide incentives, monetary or otherwise, to an attending provider to  
17 induce the provider to withhold from an individual participant or  
18 beneficiary contraceptive drugs, devices, or services."

19           Section 2. Effective January 1, 2000, G.S. 58-50-155 reads as rewritten:

20 **"§ 58-50-155. Standard and basic health care plan coverages.**

21       (a) Notwithstanding G.S. 58-50-125(c), the standard health plan developed and  
22 approved under G.S. 58-50-125 shall provide coverage for ~~mammograms and pap smears at~~  
23 ~~least equal to the coverage required by G.S. 58-51-57.~~

24       (a1) ~~Notwithstanding G.S. 58-50-125(c), the standard health plan developed and~~  
25 ~~approved under G.S. 58-50-125 shall provide coverage for prostate-specific antigen~~  
26 ~~(PSA) tests or equivalent tests for the presence of prostate cancer at least equal to the~~  
27 ~~coverage required by G.S. 58-51-58.~~

28       (a2) ~~Notwithstanding G.S. 58-50-123(c), the standard health plan developed and~~  
29 ~~approved under G.S. 58-50-125 shall provide coverage for reconstructive breast surgery~~  
30 ~~resulting from a mastectomy at least equal to the coverage required by G.S. 58-51-62. all~~  
31 ~~of the following:~~

32           (1) Mammograms and pap smears at least equal to the coverage required by  
33 G.S. 58-51-57.

34           (2) Prostate-specific antigen (PSA) tests or equivalent tests for the presence  
35 of prostate cancer at least equal to the coverage required by G.S. 58-51-  
36 58.

37           (3) Reconstructive breast surgery resulting from a mastectomy at least equal  
38 to the coverage required by G.S. 58-51-62.

39           (4) Prescribed contraceptive drugs or devices approved by the United States  
40 Food and Drug Administration for use as contraceptives, or outpatient  
41 contraceptive services at least equal to the coverage required by G.S.  
42 58-3-174, if the plan covers prescription drugs or devices, or outpatient  
43 services, as applicable.

1 (b) Notwithstanding G.S. 58-50-125(c), in developing and approving the plans  
2 under G.S. 58-50-125, the Committee and Commissioner shall give due consideration to  
3 cost-effective and life-saving health care services and to cost-effective health care  
4 providers. ~~This section shall be effective after July 10, 1991."~~

5 Section 3. If any section or provision of this act is declared unconstitutional or  
6 invalid by the courts, it does not affect the validity of this act as a whole or any part other  
7 than the part so declared to be unconstitutional or invalid.

8 Section 4. This act is effective when it becomes law and applies to health  
9 benefit plans that are delivered, issued for delivery, or renewed on and after January 1,  
10 2000. For purposes of this act, renewal of a health benefit policy, contract, or plan is  
11 presumed to occur on each anniversary of the date on which coverage was first effective  
12 on the person or persons covered by the health benefit plan.