
HOUSE BILL 2578

State of Washington 52nd Legislature 1992 Regular Session

By Representatives Ferguson, R. Meyers, Mitchell, Cooper, Paris, Kremen, Wynne, Sheldon, Miller, Dorn, Fraser, Horn, Sprenkle, Rasmussen, Moyer, Edmondson, Van Luven, Anderson and Dellwo

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1 AN ACT Relating to insurance coverage for neurodevelopmental
2 therapies; and amending RCW 41.05.170, 48.21.310, 48.44.450, and
3 48.46.520.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 41.05.170 and 1989 c 345 s 4 are each amended to read
6 as follows:

7 (1)(a) Each health plan offered to public employees and their
8 covered dependents under this chapter which is not subject to the
9 provisions of Title 48 RCW and is established or renewed on or after
10 twelve months after July 23, 1989, shall include coverage for
11 neurodevelopmental therapies for covered individuals (~~age six and~~
12 ~~under~~) until the seventh birthday of the covered individual.

13 (b) Neurodevelopmental therapy is defined to be medically necessary
14 speech, physical, or occupational therapy for the treatment of

1 neurodevelopmental disorders. Neurodevelopmental disorders include
2 structural or functional abnormalities of the central or peripheral
3 nervous system that may be present before, during, or after birth.

4 (2) Benefits provided under this section shall cover the services
5 of those ((authorized)) licensed or certified to deliver occupational
6 therapy, speech therapy, and physical therapy. Benefits shall be
7 payable only where the services have been delivered pursuant to the
8 referral and periodic review of a holder of a license issued pursuant
9 to chapter 18.71 or 18.57 RCW or where covered services have been
10 rendered by such licensee. Nothing in this section shall preclude a
11 self-funded plan authorized under this chapter from negotiating rates
12 with qualified providers.

13 (3) Benefits provided under this section shall be for medically
14 necessary services as determined by the self-funded plan authorized
15 under this chapter. Benefits shall be payable for services for the
16 maintenance of a covered individual in cases where significant
17 deterioration in the patient's condition would result without the
18 service. Benefits shall be payable to restore, maintain, and improve
19 function.

20 (4) It is the intent of this section that the state, as an employer
21 providing comprehensive health coverage including the benefits required
22 by this section, retains the authority to design and employ utilization
23 and cost controls. Therefore, benefits delivered under this section
24 may be subject to the same contractual provisions regarding deductible
25 amounts and/or copayments established by the self-funded plan
26 authorized under this chapter for treatment of common major illnesses
27 in the general coverages under the plan. Benefits provided under this
28 section may be subject to standard waiting periods for preexisting
29 conditions, and may be subject to the submission of written treatment
30 plans.

1 (5) In recognition of the intent expressed in subsection (4) of
2 this section, benefits provided under this section may be subject to
3 contractual provisions establishing annual benefit limits of not less
4 than fifteen thousand dollars and/or lifetime benefit limits(~~(.—Such~~
5 ~~limits may define the total dollar benefits available, or may limit the~~
6 ~~number of services delivered as established by the self-funded plan~~
7 ~~authorized under this chapter)) of not less than fifty thousand
8 dollars. The annual and lifetime benefit limits shall be calculated on
9 a per-contract basis.~~

10 **Sec. 2.** RCW 48.21.310 and 1989 c 345 s 2 are each amended to read
11 as follows:

12 (1)(a) Each employer-sponsored group policy for comprehensive
13 health insurance (~~which~~), including those negotiated through a
14 collective bargaining process, that is entered into, or renewed, on or
15 after twelve months after July 23, 1989, shall include coverage for
16 neurodevelopmental therapies for covered individuals ((age six and
17 under)) until the seventh birthday of the covered individual.

18 (b) Neurodevelopmental therapy is defined to be medically necessary
19 speech, physical, or occupational therapy for the treatment of
20 neurodevelopmental disorders. Neurodevelopmental disorders include
21 structural or functional abnormalities of the central or peripheral
22 nervous system that may be present before, during, or after birth.

23 (2) Benefits provided under this section shall cover the services
24 of those (~~authorized~~) licensed or certified to deliver occupational
25 therapy, speech therapy, and physical therapy. Benefits shall be
26 payable only where the services have been delivered pursuant to the
27 referral and periodic review of a holder of a license issued pursuant
28 to chapter 18.71 or 18.57 RCW or where covered services have been

1 rendered by such licensee. Nothing in this section shall prohibit an
2 insurer from negotiating rates with qualified providers.

3 (3) Benefits provided under this section shall be for medically
4 necessary services as determined by the insurer. Benefits shall be
5 payable for services for the maintenance of an insured in cases where
6 significant deterioration in the patient's condition would result
7 without the service. Benefits shall be payable to restore, maintain,
8 and improve function.

9 (4) It is the intent of this section that (~~employers purchasing~~)
10 purchasers of group comprehensive health insurance, including the
11 benefits required by this section, together with the insurer, retain
12 authority to design and employ utilization and cost controls.
13 Therefore, benefits delivered under this section may be subject to the
14 same contractual provisions regarding deductible amounts and/or
15 copayments established for treatment of common major illnesses in the
16 general coverages of the group policy by the (~~employer purchasing~~)
17 purchaser of group insurance and the insurer. Benefits provided under
18 this section may be subject to standard waiting periods for preexisting
19 conditions, and may be subject to the submission of written treatment
20 plans.

21 (5) In recognition of the intent expressed in subsection (4) of
22 this section, benefits provided under this section may be subject to
23 contractual provisions establishing annual benefit limits not less than
24 fifteen thousand dollars and/or lifetime benefit limits(~~(. Such limits~~
25 ~~may define the total dollar benefits available or may limit the number~~
26 ~~of services delivered as agreed by the employer purchasing insurance~~
27 ~~and the insurer)) not less than fifty thousand dollars. The annual and
28 lifetime benefit limits shall be calculated on a per-contract basis.~~

1 **Sec. 3.** RCW 48.44.450 and 1989 c 345 s 1 are each amended to read
2 as follows:

3 (1)(a) Each employer-sponsored group contract for comprehensive
4 health care service (~~(which)~~), including those negotiated through a
5 collective bargaining process, that is entered into, or renewed, on or
6 after twelve months after July 23, 1989, shall include coverage for
7 neurodevelopmental therapies for covered individuals ((age six and
8 under)) until the seventh birthday of the covered individual.

9 (b) Neurodevelopmental therapy is defined to be medically necessary
10 speech, physical, or occupational therapy for the treatment of
11 neurodevelopmental disorders. Neurodevelopmental disorders include
12 structural or functional abnormalities of the central or peripheral
13 nervous system that may be present before, during, or after birth.

14 (2) Benefits provided under this section shall cover the services
15 of those (~~(authorized)~~) licensed or certified to deliver occupational
16 therapy, speech therapy, and physical therapy. Benefits shall be
17 payable only where the services have been delivered pursuant to the
18 referral and periodic review of a holder of a license issued pursuant
19 to chapter 18.71 or 18.57 RCW or where covered services have been
20 rendered by such licensee. Nothing in this section shall prohibit a
21 health care service contractor from requiring that covered services be
22 delivered by a provider who participates by contract with the health
23 care service contractor unless no participating provider is available
24 to deliver covered services. Nothing in this section shall prohibit a
25 health care service contractor from negotiating rates with qualified
26 providers.

27 (3) Benefits provided under this section shall be for medically
28 necessary services as determined by the health care service contractor.
29 Benefits shall be payable for services for the maintenance of a covered
30 individual in cases where significant deterioration in the patient's

1 condition would result without the service. Benefits shall be payable
2 to restore, maintain, and improve function.

3 (4) It is the intent of this section that (~~employers purchasing~~)
4 purchasers of comprehensive group coverage including the benefits
5 required by this section, together with the health care service
6 contractor, retain authority to design and employ utilization and cost
7 controls. Therefore, benefits delivered under this section may be
8 subject to the same contractual provisions regarding deductible amounts
9 and/or copayments established for treatment of common major illnesses
10 in the general coverages of the group contract by the (~~employer~~
11 ~~purchasing~~) purchaser of the group coverage and the health care
12 service contractor. Benefits provided under this section may be
13 subject to standard waiting periods for preexisting conditions, and may
14 be subject to the submission of written treatment plans.

15 (5) In recognition of the intent expressed in subsection (4) of
16 this section, benefits provided under this section may be subject to
17 contractual provisions establishing annual benefit limits of not less
18 than fifteen thousand dollars and/or lifetime benefit limits(~~(.—Such~~
19 ~~limits may define the total dollar benefits available or may limit the~~
20 ~~number of services delivered as agreed by the employer purchasing~~
21 ~~coverage and the health care service contractor)) of not less than
22 fifty thousand dollars. The annual and lifetime benefit limits shall
23 be calculated on a per-contract basis.~~

24 **Sec. 4.** RCW 48.46.520 and 1989 c 345 s 3 are each amended to read
25 as follows:

26 (1)(a) Each employer-sponsored group contract for comprehensive
27 health care service (~~which~~), including those negotiated through a
28 collective bargaining process, that is entered into, or renewed, on or
29 after twelve months after July 23, 1989, shall include coverage for

1 neurodevelopmental therapies for covered individuals (~~age six and~~
2 ~~under~~) until the seventh birthday of the covered individual.

3 (b) Neurodevelopmental therapy is defined to be medically necessary
4 speech, physical, or occupational therapy for the treatment of
5 neurodevelopmental disorders. Neurodevelopmental disorders include
6 structural or functional abnormalities of the central or peripheral
7 nervous system that may be present before, during, or after birth.

8 (2) Benefits provided under this section shall cover the services
9 of those (~~authorized~~) licensed or certified to deliver occupational
10 therapy, speech therapy, and physical therapy. Covered benefits and
11 treatment must be rendered or referred by the health maintenance
12 organization, and delivered pursuant to the referral and periodic
13 review of a holder of a license issued pursuant to chapter 18.71 or
14 18.57 RCW or where treatment is rendered by such licensee. Nothing in
15 this section shall prohibit a health maintenance organization from
16 negotiating rates with qualified providers.

17 (3) Benefits provided under this section shall be for medically
18 necessary services as determined by the health maintenance
19 organization. Benefits shall be provided for the maintenance of a
20 covered enrollee in cases where significant deterioration in the
21 patient's condition would result without the service. Benefits shall
22 be provided to restore, maintain, and improve function.

23 (4) It is the intent of this section that (~~employers purchasing~~)
24 purchasers of comprehensive group coverage including the benefits
25 required by this section, together with the health maintenance
26 organization, retain authority to design and employ utilization and
27 cost controls. Therefore, benefits provided under this section may be
28 subject to the same contractual provisions regarding deductible amounts
29 and/or copayments established for treatment of common major illnesses
30 in the general coverages of the group agreement by the (~~employer~~

1 ~~purchasing~~) purchaser of the group coverage and the health maintenance
2 organization. Benefits provided under this section may be subject to
3 standard waiting periods for preexisting conditions, and may be subject
4 to the submission of written treatment plans.

5 (5) In recognition of the intent expressed in subsection (4) of
6 this section, benefits provided under this section may be subject to
7 contractual provisions establishing annual benefit limits of not less
8 than fifteen thousand dollars and/or lifetime benefit limits(~~(.—Such~~
9 ~~limits may define the total dollar benefits available, or may limit the~~
10 ~~number of services delivered as agreed by the employer purchasing~~
11 ~~coverage and the health maintenance organization)) of not less than
12 fifty thousand dollars. The annual and lifetime benefit limits shall
13 be calculated on a per-contract basis.~~