# S. 1147

To amend the Public Health Service Act, Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to provide for nondiscriminatory coverage for substance abuse treatment services under private group and individual health coverage.

### IN THE SENATE OF THE UNITED STATES

**SEPTEMBER 4, 1997** 

Mr. Wellstone introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

# A BILL

- To amend the Public Health Service Act, Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to provide for nondiscriminatory coverage for substance abuse treatment services under private group and individual health coverage.
  - 1 Be it enacted by the Senate and House of Representa-
  - 2 tives of the United States of America in Congress assembled,
  - 3 SECTION 1. SHORT TITLE.
  - 4 This Act may be cited as the "Substance Abuse
  - 5 Treatment Parity Act of 1997".

| 1  | SEC. 2. PARITY IN SUBSTANCE ABUSE TREATMENT BENE-  |
|--|--|
| 2  | FITS.  |
| 3  | (a) Group Health Plans.—   |
| 4  | (1) Public Health Service act amend-   |
| 5  | MENTS.—(A) Subpart 2 of part A of title XXVII of   |
| 6  | the Public Health Service Act (as added by section   |
| 7  | 604(a) of the Newborns' and Mothers' Health Pro-   |
| 8  | tection Act of 1996 and amended by section 703(a)  |
| 9  | of the Mental Health Parity Act of 1996) is amend-   |
| 10   | ed by adding at the end the following new section:   |
| 11   | "SEC. 2706. PARITY IN THE APPLICATION OF TREATMENT   |
| 12   | LIMITATIONS AND FINANCIAL REQUIRE-   |
| 13   | MENTS TO SUBSTANCE ABUSE TREATMENT   |
|  |  |
| 14   | BENEFITS.  |
|  | <b>BENEFITS.</b> "(a) In General.—In the case of a group health  |
| <ul><li>14</li><li>15</li><li>16</li></ul>         |  |
| 15<br>16   | "(a) In General.—In the case of a group health   |
| 15<br>16<br>17                                     | "(a) In General.—In the case of a group health plan (or health insurance coverage offered in connection  |
| 15<br>16<br>17<br>18                               | "(a) IN GENERAL.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical  |
| 15<br>16<br>17<br>18                               | "(a) IN GENERAL.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and substance abuse treatment benefits, the plan  |
| 15<br>16<br>17<br>18<br>19<br>20                   | "(a) IN GENERAL.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and substance abuse treatment benefits, the plan or coverage shall not impose treatment limitations or fi-  |
| 15<br>16<br>17<br>18<br>19<br>20<br>21             | "(a) IN GENERAL.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and substance abuse treatment benefits, the plan or coverage shall not impose treatment limitations or financial requirements on the substance abuse treatment  |
| 15<br>16<br>17<br>18<br>19                         | "(a) In General.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and substance abuse treatment benefits, the plan or coverage shall not impose treatment limitations or financial requirements on the substance abuse treatment benefits unless similar limitations or requirements are im-  |
| 15<br>16<br>17<br>18<br>19<br>20<br>21<br>22       | "(a) In General.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and substance abuse treatment benefits, the plan or coverage shall not impose treatment limitations or financial requirements on the substance abuse treatment benefits unless similar limitations or requirements are imposed for medical and surgical benefits.   |
| 15<br>16<br>17<br>18<br>19<br>20<br>21<br>22<br>23 | "(a) In General.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and substance abuse treatment benefits, the plan or coverage shall not impose treatment limitations or financial requirements on the substance abuse treatment benefits unless similar limitations or requirements are imposed for medical and surgical benefits.  "(b) Construction.—Nothing in this section shall |

plan) to provide any substance abuse treatment benefits; or

"(2) to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

### "(c) Exemptions.—

### "(1) SMALL EMPLOYER EXEMPTION.—

"(A) IN GENERAL.—This section shall not apply to any group health plan (and group health insurance coverage offered in connection with a group health plan) for any plan year of a small employer.

"(B) SMALL EMPLOYER.—For purposes of subparagraph (A), the term 'small employer' means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least 2 but not more than 50 employees on business days during the preceding calendar year and who employs at least 2 employees on the first day of the plan year.

| 1  | "(C) Application of Certain Rules in                |
|----|---|
| 2  | DETERMINATION OF EMPLOYER SIZE.—For                 |
| 3  | purposes of this paragraph—                         |
| 4  | "(i) Application of aggregation                     |
| 5  | RULE FOR EMPLOYERS.—Rules similar to                |
| 6  | the rules under subsections (b), (c), (m),          |
| 7  | and (o) of section 414 of the Internal Rev-         |
| 8  | enue Code of 1986 shall apply for purposes          |
| 9  | of treating persons as a single employer.           |
| 10 | "(ii) Employers not in existence                    |
| 11 | IN PRECEDING YEAR.—In the case of an                |
| 12 | employer which was not in existence                 |
| 13 | throughout the preceding calendar year,             |
| 14 | the determination of whether such em-               |
| 15 | ployer is a small employer shall be based           |
| 16 | on the average number of employees that             |
| 17 | it is reasonably expected such employer             |
| 18 | will employ on business days in the current         |
| 19 | calendar year.                                      |
| 20 | "(iii) Predecessors.—Any reference                  |
| 21 | in this paragraph to an employer shall in-          |
| 22 | clude a reference to any predecessor of             |
| 23 | such employer.                                      |
| 24 | "(2) Increased cost exemption.—This sec-            |
| 25 | tion shall not apply with respect to a group health |

- 1 plan (or health insurance coverage offered in connec-
- 2 tion with a group health plan) if the application of
- this section to such plan (or to such coverage) re-
- 4 sults in an increase in the cost under the plan (or
- for such coverage) of at least 1 percent.
- 6 "(d) Separate Application to Each Option Of-
- 7 FERED.—In the case of a group health plan that offers
- 8 a participant or beneficiary two or more benefit package
- 9 options under the plan, the requirements of this section
- 10 shall be applied separately with respect to each such op-
- 11 tion.
- 12 "(e) Definitions.—For purposes of this section—
- 13 "(1) Treatment Limitation.—The term
- 14 'treatment limitation' means, with respect to benefits
- under a group health plan or health insurance cov-
- erage, any day or visit limits imposed on coverage of
- benefits under the plan or coverage during a period
- of time.
- 19 "(2) Financial requirement.—The term 'fi-
- 20 nancial requirement' means, with respect to benefits
- 21 under a group health plan or health insurance cov-
- erage, any deductible, coinsurance, or cost-sharing
- or an annual or lifetime dollar limit imposed with re-
- spect to the benefits under the plan or coverage.

| 1  | "(3) Medical or surgical benefits.—The                |
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| 2  | term 'medical or surgical benefits' means benefits    |
| 3  | with respect to medical or surgical services, as de-  |
| 4  | fined under the terms of the plan or coverage (as the |
| 5  | case may be), but does not include substance abuse    |
| 6  | treatment benefits.                                   |
| 7  | "(4) Substance abuse treatment bene-                  |
| 8  | FITS.—The term 'substance abuse treatment bene-       |
| 9  | fits' means benefits with respect to substance abuse  |
| 10 | treatment services.                                   |
| 11 | "(5) Substance abuse treatment serv-                  |
| 12 | ICES.—The term 'substance abuse services' means       |
| 13 | any of the following items and services provided for  |
| 14 | the treatment of substance abuse:                     |
| 15 | "(A) Inpatient treatment, including detoxi-           |
| 16 | fication.   |
| 17 | "(B) Non-hospital residential treatment.              |
| 18 | "(C) Outpatient treatment, including                  |
| 19 | screening and assessment, medication manage-          |
| 20 | ment, individual, group, and family counseling,       |
| 21 | and relapse prevention.                               |
| 22 | "(D) Prevention services, including health            |
| 23 | education and individual and group counseling         |
| 24 | to encourage the reduction of risk factors for        |

substance abuse.

"(6) Substance abuse.—The term 'substance 1 2 abuse' includes chemical dependency. 3 "(f) Notice.—A group health plan under this part shall comply with the notice requirement under section 713(f) of the Employee Retirement Income Security Act of 1974 with respect to the requirements of this section as if such section applied to such plan. 8 "(g) Sunset.—This section shall not apply to benefits for services furnished on or after September 30, 2002.". 10 11 (B) Section 2723(c) of such Act (42 U.S.C. 12 300gg-23(c)), as amended by section 604(b)(2) of 13 Public Law 104–204, is amended by striking "section 2704" and inserting "sections 2704 and 2706". 14 15 (2) ERISA AMENDMENTS.—(A) Subpart B of 16 part 7 of subtitle B of title I of the Employee Re-17 tirement Income Security Act of 1974 (as added by 18 section 603(a) of the Newborns' and Mothers' 19 Health Protection Act of 1996 and amended by sec-20 tion 702(a) of the Mental Health Parity Act of 21 1996) is amended by adding at the end the following 22 new section:

| 1  | "SEC. 713. PARITY IN THE APPLICATION OF TREATMENT           |
|----|---|
| 2  | LIMITATIONS AND FINANCIAL REQUIRE-                          |
| 3  | MENTS TO SUBSTANCE ABUSE TREATMENT                          |
| 4  | BENEFITS.   |
| 5  | "(a) In General.—In the case of a group health              |
| 6  | plan (or health insurance coverage offered in connection    |
| 7  | with such a plan) that provides both medical and surgical   |
| 8  | benefits and substance abuse treatment benefits, the plan   |
| 9  | or coverage shall not impose treatment limitations or fi-   |
| 10 | nancial requirements on the substance abuse treatment       |
| 11 | benefits unless similar limitations or requirements are im- |
| 12 | posed for medical and surgical benefits.                    |
| 13 | "(b) Construction.—Nothing in this section shall            |
| 14 | be construed—   |
| 15 | "(1) as requiring a group health plan (or health            |
| 16 | insurance coverage offered in connection with such a        |
| 17 | plan) to provide any substance abuse treatment ben-         |
| 18 | efits; or   |
| 19 | "(2) to prevent a group health plan or a health             |
| 20 | insurance issuer offering group health insurance cov-       |
| 21 | erage from negotiating the level and type of reim-          |
| 22 | bursement with a provider for care provided in ac-          |
| 23 | cordance with this section.                                 |
| 24 | "(c) Exemptions.—   |
| 25 | "(1) Small employer exemption —                             |

| 1  | "(A) IN GENERAL.—This section shall not          |
|----|--|
| 2  | apply to any group health plan (and group        |
| 3  | health insurance coverage offered in connection  |
| 4  | with a group health plan) for any plan year of   |
| 5  | a small employer.                                |
| 6  | "(B) Small employer.—For purposes of             |
| 7  | subparagraph (A), the term 'small employer'      |
| 8  | means, in connection with a group health plan    |
| 9  | with respect to a calendar year and a plan year, |
| 10 | an employer who employed an average of at        |
| 11 | least 2 but not more than 50 employees on        |
| 12 | business days during the preceding calendar      |
| 13 | year and who employs at least 2 employees on     |
| 14 | the first day of the plan year.                  |
| 15 | "(C) Application of Certain Rules in             |
| 16 | DETERMINATION OF EMPLOYER SIZE.—For              |
| 17 | purposes of this paragraph—                      |
| 18 | "(i) Application of aggregation                  |
| 19 | RULE FOR EMPLOYERS.—Rules similar to             |
| 20 | the rules under subsections (b), (c), (m),       |
| 21 | and (o) of section 414 of the Internal Rev-      |
| 22 | enue Code of 1986 shall apply for purposes       |
| 23 | of treating persons as a single employer.        |
| 24 | "(ii) Employers not in existence                 |
| 25 | IN PRECEDING YEAR.—In the case of an             |

1 employer which was not in existence 2 throughout the preceding calendar year, the determination of whether such em-3 4 ployer is a small employer shall be based on the average number of employees that 6 it is reasonably expected such employer 7 will employ on business days in the current 8 calendar year.

- "(iii) Predecessors.—Any reference in this paragraph to an employer shall include a reference to any predecessor of such employer.
- "(2) Increased cost exemption.—This section shall not apply with respect to a group health plan (or health insurance coverage offered in connection with a group health plan) if the application of this section to such plan (or to such coverage) results in an increase in the cost under the plan (or for such coverage) of at least 1 percent.
- "(d) Separate Application to Each Option Of-21 Fered.—In the case of a group health plan that offers 22 a participant or beneficiary two or more benefit package 23 options under the plan, the requirements of this section 24 shall be applied separately with respect to each such op-25 tion.

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- 1 "(e) Definitions.—For purposes of this section—
- 2 "(1) Treatment limitation.—The term
- 3 'treatment limitation' means, with respect to benefits
- 4 under a group health plan or health insurance cov-
- 5 erage, any day or visit limits imposed on coverage of
- 6 benefits under the plan or coverage during a period
- 7 of time.
- 8 "(2) FINANCIAL REQUIREMENT.—The term 'fi-9 nancial requirement' means, with respect to benefits
- **1**
- under a group health plan or health insurance cov-
- 11 erage, any deductible, coinsurance, or cost-sharing
- or an annual or lifetime dollar limit imposed with re-
- spect to the benefits under the plan or coverage.
- 14 "(3) Medical or surgical benefits.—The
- term 'medical or surgical benefits' means benefits
- with respect to medical or surgical services, as de-
- fined under the terms of the plan or coverage (as the
- case may be), but does not include substance abuse
- 19 treatment benefits.
- 20 "(4) Substance abuse treatment bene-
- 21 FITS.—The term 'substance abuse treatment bene-
- fits' means benefits with respect to substance abuse
- treatment services.
- 24 "(5) Substance abuse treatment serv-
- 25 ICES.—The term 'substance abuse services' means

| 1  | any of the following items and services provided for        |
|----|---|
| 2  | the treatment of substance abuse:                           |
| 3  | "(A) Inpatient treatment, including detoxi-                 |
| 4  | fication.   |
| 5  | "(B) Non-hospital residential treatment.                    |
| 6  | "(C) Outpatient treatment, including                        |
| 7  | screening and assessment, medication manage-                |
| 8  | ment, individual, group, and family counseling,             |
| 9  | and relapse prevention.                                     |
| 10 | "(D) Prevention services, including health                  |
| 11 | education and individual and group counseling               |
| 12 | to encourage the reduction of risk factors for              |
| 13 | substance abuse.  |
| 14 | "(6) Substance Abuse.—The term 'substance                   |
| 15 | abuse' includes chemical dependency.                        |
| 16 | "(f) Notice under Group Health Plan.—The                    |
| 17 | imposition of the requirements of this section shall be     |
| 18 | treated as a material modification in the terms of the plan |
| 19 | described in section 102(a)(1), for purposes of assuring    |
| 20 | notice of such requirements under the plan; except that     |
| 21 | the summary description required to be provided under the   |
| 22 | last sentence of section $104(b)(1)$ with respect to such   |
| 23 | modification shall be provided by not later than 60 days    |
| 24 | after the first day of the first plan year in which such    |
| 25 | requirements apply.   |

| 1  | "(g) Sunset.—This section shall not apply to bene-  |
|----|---|
| 2  | fits for services furnished on or after September 30,   |
| 3  | 2002.".   |
| 4  | (B) Section 731(c) of such Act (29 U.S.C.   |
| 5  | 1191(c)), as amended by section 603(b)(1) of Public   |
| 6  | Law 104–204, is amended by striking "section 711"   |
| 7  | and inserting "sections 711 and 713".   |
| 8  | (C) Section 732(a) of such Act (29 U.S.C.   |
| 9  | 1191a(a)), as amended by section 603(b)(2) of Pub-  |
| 10 | lic Law 104–204, is amended by striking "section  |
| 11 | 711" and inserting "sections 711 and 713".  |
| 12 | (D) The table of contents in section 1 of such  |
| 13 | Act is amended by inserting after the item relating   |
| 14 | to section 712 the following new item:  |
|    | "Sec. 713. Parity in the application of treatment limitations and financial requirements to substance abuse treatment benefits.". |
| 15 | (3) Internal revenue code amend-  |
| 16 | MENTS.—(A) Subtitle K of the Internal Revenue   |
| 17 | Code of 1986 (as added by section 401(a) of the   |
| 18 | Health Insurance Portability and Accountability Act   |
| 19 | of 1996) is amended—  |
| 20 | (i) by striking all that precedes section   |
| 21 | 9801 and inserting the following:   |
| 22 | "Subtitle K—Group Health Plan   |
| 23 | Requirements  |

"Chapter 100. Group health plan requirements.

# "CHAPTER 100—GROUP HEALTH PLAN REQUIREMENTS

"Subchapter A. Requirements relating to portability, access, and renewability.

### "Subchapter A—Requirements Relating to

### 4 Portability, Access, and Renewability

"Sec. 9801. Increased portability through limitation on preexisting condition exclusions.

"Sec. 9802. Prohibiting discrimination against individual participants and beneficiaries based on health status.

"Sec. 9803. Guaranteed renewability in multiemployer plans and certain multiple employer welfare arrangements.",

(ii) by redesignating sections 9804, 9805,

6 and 9806 as sections 9831, 9832, and 9833, re-

7 spectively,

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8 (iii) by inserting before section 9831 (as so

9 redesignated) the following:

## 10 "Subchapter C—General Provisions

"Sec. 9831. General exceptions.

"Sec. 9832. Definitions.

"Sec. 9833. Regulations.", and

11 (iv) by inserting after section 9803 the fol-

lowing:

### 13 "Subchapter B—Other Requirements

"Sec. 9811. Parity in the application of treatment limitations and financial requirements to substance abuse treatment benefits.

<sup>&</sup>quot;Subchapter B. Other requirements.

<sup>&</sup>quot;Subchapter C. General provisions.

| 1  | "SEC. 9811. PARITY IN THE APPLICATION OF TREATMENT          |
|----|---|
| 2  | LIMITATIONS AND FINANCIAL REQUIRE-                          |
| 3  | MENTS TO SUBSTANCE ABUSE TREATMENT                          |
| 4  | BENEFITS.   |
| 5  | "(a) In General.—In the case of a group health              |
| 6  | plan (or health insurance coverage offered in connection    |
| 7  | with such a plan) that provides both medical and surgical   |
| 8  | benefits and substance abuse treatment benefits, the plan   |
| 9  | or coverage shall not impose treatment limitations or fi-   |
| 10 | nancial requirements on the substance abuse treatment       |
| 11 | benefits unless similar limitations or requirements are im- |
| 12 | posed for medical and surgical benefits.                    |
| 13 | "(b) Construction.—Nothing in this section shall            |
| 14 | be construed—   |
| 15 | "(1) as requiring a group health plan (or health            |
| 16 | insurance coverage offered in connection with such a        |
| 17 | plan) to provide any substance abuse treatment ben-         |
| 18 | efits; or   |
| 19 | "(2) to prevent a group health plan or a health             |
| 20 | insurance issuer offering group health insurance cov-       |
| 21 | erage from negotiating the level and type of reim-          |
| 22 | bursement with a provider for care provided in ac-          |
| 23 | cordance with this section.                                 |
| 24 | "(c) Exemptions.—   |
| 25 | "(1) Small employer exemption.—                             |

| 1  | "(A) IN GENERAL.—This section shall not          |
|----|--|
| 2  | apply to any group health plan (and group        |
| 3  | health insurance coverage offered in connection  |
| 4  | with a group health plan) for any plan year of   |
| 5  | a small employer.                                |
| 6  | "(B) Small employer.—For purposes of             |
| 7  | subparagraph (A), the term 'small employer'      |
| 8  | means, in connection with a group health plan    |
| 9  | with respect to a calendar year and a plan year, |
| 10 | an employer who employed an average of at        |
| 11 | least 2 but not more than 50 employees on        |
| 12 | business days during the preceding calendar      |
| 13 | year and who employs at least 2 employees on     |
| 14 | the first day of the plan year.                  |
| 15 | "(C) Application of Certain Rules in             |
| 16 | DETERMINATION OF EMPLOYER SIZE.—For              |
| 17 | purposes of this paragraph—                      |
| 18 | "(i) Application of aggregation                  |
| 19 | RULE FOR EMPLOYERS.—Rules similar to             |
| 20 | the rules under subsections (b), (c), (m),       |
| 21 | and (o) of section 414 of the Internal Rev-      |
| 22 | enue Code of 1986 shall apply for purposes       |
| 23 | of treating persons as a single employer.        |
| 24 | "(ii) Employers not in existence                 |
| 25 | IN PRECEDING YEAR.—In the case of an             |

employer which was not in existence
throughout the preceding calendar year,
the determination of whether such employer is a small employer shall be based
on the average number of employees that
it is reasonably expected such employer
will employ on business days in the current
calendar year.

"(iii) Predecessors.—Any reference in this paragraph to an employer shall include a reference to any predecessor of such employer.

- "(2) Increased cost exemption.—This section shall not apply with respect to a group health plan (or health insurance coverage offered in connection with a group health plan) if the application of this section to such plan (or to such coverage) results in an increase in the cost under the plan (or for such coverage) of at least 1 percent.
- "(d) Separate Application to Each Option Of-21 Fered.—In the case of a group health plan that offers 22 a participant or beneficiary two or more benefit package 23 options under the plan, the requirements of this section 24 shall be applied separately with respect to each such op-25 tion.

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- 1 "(e) Definitions.—For purposes of this section—
- 2 "(1) Treatment limitation.—The term

'treatment limitation' means, with respect to benefits

- 4 under a group health plan or health insurance cov-
- 5 erage, any day or visit limits imposed on coverage of
- 6 benefits under the plan or coverage during a period
- 7 of time.

- 8 "(2) Financial requirement.—The term 'fi-9 nancial requirement' means, with respect to benefits 10 under a group health plan or health insurance cov-
- 11 erage, any deductible, coinsurance, or cost-sharing
- or an annual or lifetime dollar limit imposed with re-
- spect to the benefits under the plan or coverage.
- 14 "(3) Medical or surgical benefits.—The
- term 'medical or surgical benefits' means benefits
- with respect to medical or surgical services, as de-
- fined under the terms of the plan or coverage (as the
- case may be), but does not include substance abuse
- 19 treatment benefits.
- 20 "(4) Substance abuse treatment bene-
- 21 Fits.—The term 'substance abuse treatment bene-
- fits' means benefits with respect to substance abuse
- treatment services.
- 24 "(5) Substance abuse treatment serv-
- 25 ICES.—The term 'substance abuse services' means

| 1  | any of the following items and services provided for  |
|----|---|
| 2  | the treatment of substance abuse:                     |
| 3  | "(A) Inpatient treatment, including detoxi-           |
| 4  | fication.   |
| 5  | "(B) Non-hospital residential treatment.              |
| 6  | "(C) Outpatient treatment, including                  |
| 7  | screening and assessment, medication manage-          |
| 8  | ment, individual, group, and family counseling,       |
| 9  | and relapse prevention.                               |
| 10 | "(D) Prevention services, including health            |
| 11 | education and individual and group counseling         |
| 12 | to encourage the reduction of risk factors for        |
| 13 | substance abuse.                                      |
| 14 | "(6) Substance abuse.—The term 'substance             |
| 15 | abuse' includes chemical dependency.                  |
| 16 | "(f) Sunset.—This section shall not apply to bene-    |
| 17 | fits for services furnished on or after September 30, |
| 18 | 2002.".   |
| 19 | (B) Conforming amendments.—                           |
| 20 | (i) Chapter 100 of such Code (as added by             |
| 21 | section 401 of the Health Insurance Portability       |
| 22 | and Accountability Act of 1996 and as pre-            |
| 23 | viously amended by this section) is further           |
| 24 | amended—  |

| 1  | (I) in the last sentence of section          |
|----|--|
| 2  | 9801(c)(1), by striking "section 9805(c)"    |
| 3  | and inserting "section 9832(c)";             |
| 4  | (II) in section 9831(b), by striking         |
| 5  | "9805(c)(1)" and inserting "9832(c)(1)";     |
| 6  | (III) in section 9831(c)(1), by striking     |
| 7  | "9805(c)(2)" and inserting "9832(c)(2)";     |
| 8  | (IV) in section 9831(c)(2), by striking      |
| 9  | "9805(c)(3)" and inserting "9832(c)(3)";     |
| 10 | and  |
| 11 | (V) in section 9831(c)(3), by striking       |
| 12 | "9805(c)(4)" and inserting "9832(c)(4)".     |
| 13 | (ii) Section 4980D of such Code (as added    |
| 14 | by section 402 of the Health Insurance Port- |
| 15 | ability and Accountability Act of 1996) is   |
| 16 | amended—                                     |
| 17 | (I) in subsection $(c)(3)(B)(i)(I)$ , by     |
| 18 | striking "9805(d)(3)" and inserting          |
| 19 | "9832(d)(3)";                                |
| 20 | (II) in subsection $(d)(1)$ , by inserting   |
| 21 | "(other than a failure attributable to sec-  |
| 22 | tion 9811)" after "on any failure";          |
| 23 | (III) in subsection (d)(3), by striking      |
| 24 | "9805" and inserting "9832";                 |

| 1  | (IV) in subsection $(f)(1)$ , by striking  |
|--|--|
| 2  | "9805(a)" and inserting "9832(a)".   |
| 3  | (iii) The table of subtitles for such Code is  |
| 4  | amended by striking the item relating to sub-  |
| 5  | title K (as added by section 401(b) of the   |
| 6  | Health Insurance Portability and Accountability  |
| 7  | Act of 1996) and inserting the following new   |
| 8  | item:  |
|  | "Subtitle K. Group health plan requirements."  |
| 9  | (b) Individual Health Insurance.—(1) Part B  |
| 10   | of title XXVII of the Public Health Service Act (as added  |
| 11   | by section 605(a) of the Newborn's and Mother's Health   |
| 12   | Protection Act of 1996) is amended by inserting after sec-   |
|  |  |
| 13   | tion 2751 the following new section:   |
| <ul><li>13</li><li>14</li></ul>  | tion 2751 the following new section:  "SEC. 2752. PARITY IN THE APPLICATION OF TREATMENT   |
|  |  |
| 14   | "SEC. 2752. PARITY IN THE APPLICATION OF TREATMENT   |
| 14<br>15   | "SEC. 2752. PARITY IN THE APPLICATION OF TREATMENT LIMITATIONS AND FINANCIAL REQUIRE-  |
| <ul><li>14</li><li>15</li><li>16</li></ul>   | "SEC. 2752. PARITY IN THE APPLICATION OF TREATMENT LIMITATIONS AND FINANCIAL REQUIRE- MENTS TO SUBSTANCE ABUSE BENEFITS.   |
| <ul><li>14</li><li>15</li><li>16</li><li>17</li></ul>                                  | "SEC. 2752. PARITY IN THE APPLICATION OF TREATMENT  LIMITATIONS AND FINANCIAL REQUIRE-  MENTS TO SUBSTANCE ABUSE BENEFITS.  "(a) IN GENERAL.—The provisions of section 2706  |
| 14<br>15<br>16<br>17<br>18   | "SEC. 2752. PARITY IN THE APPLICATION OF TREATMENT LIMITATIONS AND FINANCIAL REQUIRE- MENTS TO SUBSTANCE ABUSE BENEFITS.  "(a) IN GENERAL.—The provisions of section 2706 (other than subsection (e)) shall apply to health insurance  |
| 14<br>15<br>16<br>17<br>18<br>19   | "SEC. 2752. PARITY IN THE APPLICATION OF TREATMENT LIMITATIONS AND FINANCIAL REQUIRE- MENTS TO SUBSTANCE ABUSE BENEFITS.  "(a) In General.—The provisions of section 2706 (other than subsection (e)) shall apply to health insurance coverage offered by a health insurance issuer in the indi-   |
| <ul><li>14</li><li>15</li><li>16</li><li>17</li><li>18</li><li>19</li><li>20</li></ul> | "SEC. 2752. PARITY IN THE APPLICATION OF TREATMENT LIMITATIONS AND FINANCIAL REQUIRE- MENTS TO SUBSTANCE ABUSE BENEFITS.  "(a) In General.—The provisions of section 2706 (other than subsection (e)) shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as it applies to health  |
| 14<br>15<br>16<br>17<br>18<br>19<br>20<br>21   | "SEC. 2752. PARITY IN THE APPLICATION OF TREATMENT LIMITATIONS AND FINANCIAL REQUIRE- MENTS TO SUBSTANCE ABUSE BENEFITS.  "(a) In General.—The provisions of section 2706 (other than subsection (e)) shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as it applies to health insurance coverage offered by a health insurance issuer  |
| 14<br>15<br>16<br>17<br>18<br>19<br>20<br>21<br>22                                     | "SEC. 2752. PARITY IN THE APPLICATION OF TREATMENT LIMITATIONS AND FINANCIAL REQUIRE- MENTS TO SUBSTANCE ABUSE BENEFITS.  "(a) In General.—The provisions of section 2706 (other than subsection (e)) shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as it applies to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or |

- 1 tion 713(f) of the Employee Retirement Income Security
- 2 Act of 1974 with respect to the requirements referred to
- 3 in subsection (a) as if such section applied to such issuer
- 4 and such issuer were a group health plan.".
- 5 (2) Section 2762(b)(2) of such Act (42 U.S.C.
- 6 300gg-62(b)(2)), as added by section 605(b)(3)(B) of
- 7 Public Law 104–204, is amended by striking "section
- 8 2751" and inserting "sections 2751 and 2752".
- 9 (c) Effective Dates.—(1) Subject to paragraph
- 10 (3), the amendments made by subsection (a) shall apply
- 11 with respect to group health plans for plan years begin-
- 12 ning on or after January 1, 1999.
- 13 (2) The amendment made by subsection (b) shall
- 14 apply with respect to health insurance coverage offered,
- 15 sold, issued, renewed, in effect, or operated in the individ-
- 16 ual market on or after such date.
- 17 (3) In the case of a group health plan maintained
- 18 pursuant to 1 or more collective bargaining agreements
- 19 between employee representatives and 1 or more employ-
- 20 ers ratified before the date of enactment of this Act, the
- 21 amendments made subsection (a) shall not apply to plan
- 22 years beginning before the later of—
- (A) the date on which the last collective bar-
- 24 gaining agreements relating to the plan terminates
- 25 (determined without regard to any extension thereof

- 1 agreed to after the date of enactment of this Act),
- 2 or
- 3 (B) January 1, 1999.
- 4 For purposes of subparagraph (A), any plan amendment
- 5 made pursuant to a collective bargaining agreement relat-
- 6 ing to the plan which amends the plan solely to conform
- 7 to any requirement added by subsection (a) shall not be
- 8 treated as a termination of such collective bargaining
- 9 agreement.
- 10 (d) Coordinated Regulations.—Section 104(1)
- 11 of Health Insurance Portability and Accountability Act of
- 12 1996 is amended by striking "this subtitle (and the
- 13 amendments made by this subtitle and section 401)" and
- 14 inserting "the provisions of part 7 of subtitle B of title
- 15 I of the Employee Retirement Income Security Act of
- 16 1974, and the provisions of parts A and C of title XXVII
- 17 of the Public Health Service Act, and chapter 1000 of the
- 18 Internal Revenue Code of 1986".

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