



BULLETIN #60

JULY 12, 1982

PUBLIC ACT NO. 176 - COVERAGE/BENEFITS FOR THE
CARE AND TREATMENT OF ALCOHOL DEPENDENCY
(SUBCHAPTER 6. ALCOHOLISM; 8 V.S.A., CHAPTER 107)

Effective July 1, 1982, insurers, non-profit hospital and medical service plan corporations, and health maintenance organizations transacting health insurance in Vermont are required to offer, as an option, coverage/benefits for the necessary care and treatment of alcohol dependency under group health insurance policies, and contract plans; in accordance with Public Act No. 176, 1981 Adj. Session, House Bill No. 280, (8 V.S.A., §§4097-4100).

Since October 1, 1976, 8 V.S.A., §4089 (Mental Illness), has required that insurers, et al. issuing group health insurance policies, contracts, etc. provide, as an option, coverage/benefits for the care and active treatment of any mental condition or disorder falling under any of the diagnostic categories listed in the mental disorders section of the International Classification of Diseases (ICD-9-CM). Among the disorders included therein are substance abuse and substance dependence, which include alcoholism and alcohol dependency, as well as other substance abuse and dependency.

This Department's review of 8 V.S.A., §4089 and §§4097-4100 clearly reveals certain conflicts and overlap which may result in, at best, an unsuitable or ambiguous contract, if disparate policy endorsements are issued under the same group health insurance contract. Accordingly, this Department is in the process of finalizing a regulation addressing the minimum requirements for both the general mental health option and the specific alcoholism option, and minimum guidelines for the creation of a single combination endorsement.

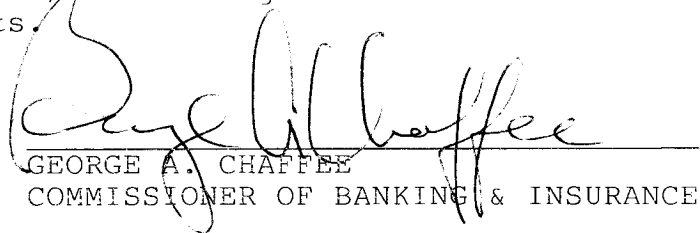
The purposes of this bulletin are:

- 1) To inform all affected insurers, et al. of this Department's contemplated actions in addressing these statutory ambiguities, and
- 2) To suggest that such insurers, et al. may find it advisable to inform their group health contract holders, when the optional alcoholism coverage/benefits are being offered, pursuant to 8 V.S.A., §§4097-4100, that if their present group policy,

contract or plan affords mental illness benefits, it may duplicate or conflict with provisions of the specific alcoholism option. Insurers, et al. should also examine whether or not an unsuitable policy or contract will result.

This Department is also conferring with the State of Vermont Agency of Human Services to clarify or expand, by regulation pursuant to 8 V.S.A., §4089(d), those health care facilities that may be qualified to render substance abuse and dependency treatment services. Currently, several alcohol/substance dependency treatment facilities exist in Vermont which are not licensed or qualified as a general hospital, public or licensed mental hospital or a community mental health center, and consequently, can not be utilized and reimbursed under a group policy or contract issued in accordance with the prevailing provisions of §4089 of 8 V.S.A.; but are so recognized and can be utilized under the provisions of §§4097-4100 of 8 V.S.A.

The specific regulation forthcoming from this Department will address all of the outstanding questions and concerns brought about by the aforementioned statutes. However, in the interim, our contemplated actions should not allow an individual insurer to delay the development of a single (combination) endorsement/rider designed to reconcile these statutory conflicts.



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