



HEALTH SERVICES AGENCY  
ADMINISTRATION

# County of Santa Cruz

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## HEALTH SERVICES AGENCY

P.O. BOX 962, 1080 EMELINE AVENUE, SANTA CRUZ, CA 95061 0075

(631) 454-4066 FAX: (631) 454-4770 TDD: (831) 454-2123

March 29, 2000

AGENDA: April 11, 2000

BOARD OF SUPERVISORS  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

SUBJECT: Support of SB 1764, Coverage for Treatment of Alcohol and Other  
Drug Abuse or Dependency

Dear Board Members:

Substance abuse is a major public health problem, impacting almost every aspect of our programs, from maternal and child health, infectious diseases, unintentional injuries, premature death, family and community stability, as well as impacts on our justice system. The annual cost of alcohol and other drug abuse in California is over \$23 million. Yet, only 10% of juveniles and 17% of **adults** have access to alcohol and other drug treatment services when needed. The **majority** of people seeking treatment are employed, however even if they have health insurance, many plans do not cover these needed services.

Studies show that treatment for alcohol and other drug problems works about as effectively as treatment for such health problems as high blood pressure and diabetes. Current estimates that full and complete substance parity provision would increase per capita health insurance premiums by as little as **0.5%**, or less than \$1 per member month. This amount **does** not include the medical and employment **cost** savings offset as a **result** of such services.

I am pleased to inform your Board that Senator Chesbro has introduced SB 1764 which would require health care plan service contracts, disability insurance policies and self-insured employee welfare benefit plans to provide coverage for treatment of alcohol and other drug abuse or dependency.

It is requested that your Board support this very worthwhile legislation.

It is, therefore, RECOMMENDED that your Board:

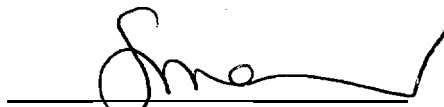
1. Approve and adopt the attached resolution supporting SB 1764 (Chesbro).

Sincerely,



Rama Khalsa, Ph.D.  
Agency Administrator

RECOMMENDED



Susan A. Mauriello  
County Administrative Officer

RK/jde

- cc. County Administrative Office  
Auditor-Controller  
County Counsel  
HSA Administration  
Community Mental Health  
Department of Alcohol and Drug Administration

**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

**RESOLUTION NO.**

On the motion of Supervisor  
Duly seconded of Supervisor  
The following resolution is adopted

**RESOLUTION SUPPORTING THE PASSAGE OF SENATE BILL 1764**

**WHEREAS**, substance abuse is a major public health problem impacting many programs and services: and

**WHEREAS**, the annual cost of substance abuse in California is over \$23 million; and

**WHEREAS**, only a small percentage of juveniles and adults have access to substance abuse treatment programs, even when employed and insured; and

**WHEREAS**, studies indicate substance abuse treatment to be an effective service to alleviate these problems; and

**WHEREAS**, the cost to include substance abuse provisions in health care plans is minimal; and

**WHEREAS**, SB 1764 would require health care plan service contracts, disability insurance policies and self-insured welfare benefit plan to provide treatment of alcohol and other drug abuse or dependency.

**NOW, THEREFORE, BE IT RESOLVED** that the Santa Cruz County Board of Supervisors support Senate Bill 1764 to increase coverage for alcohol and other drug treatment.

**PASSED AND ADOPTED**, by the Board of Supervisors of the County of Santa Cruz, State of California, this eleventh day of April, 2000 by the following vote:

AYES: SUPERVISORS  
NOES: SUPERVISORS  
ABSTAIN: SUPERVISORS

\_\_\_\_\_  
Chair of the Board

ATTEST: \_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

  
Assistant County Counsel

Distribution: CAO  
Auditor-Controller

County Counsel  
HSA Administration

Introduced by Senator Chesbro

February 23, 2000

An act to amend Section 1367.2 of the Health and Safety Code, and to amend Sections 10123.6 and 10123.14 of the Insurance Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 1764, as introduced, Chesbro. Health care: alcohol and other drug abuse: coverage.

Existing law requires health care service plans regulated under the Knox-Keene Health Care Service Plan Act of 1975 and specified disability insurers to provide for the treatment of alcoholism under terms and conditions as may be agreed upon. Existing law permits self-insured employee welfare benefit plans, as specified, to provide coverage for the treatment of alcoholism and chemical dependency as may be agreed upon. Existing law makes a violation of the Knox-Keene Health Care Service Plan Act of 1975 a crime.

This bill would require on and after January 1, 2001, that health care service plan contracts, disability insurance policies, and self-insured employee welfare benefit plans provide coverage for the treatment of alcohol and other drug abuse or dependency, as specified. By establishing a new requirement under the Knox-Keene Health Care Service Plan Act of 1975, a violation of which would be a crime, this bill would create a new crime and thus would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated

by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority; Appropriation: no. Fiscal, committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 1367.2 of the Health and Safety Code is amended to read:

1367.2. (a) On and after January 1, 1990 2001, every health care service plan that covers hospital, medical, or surgical expenses on a group basis shall offer coverage for the treatment of alcoholism under such terms and conditions as may be agreed upon between the group subscriber and the health care service plan alcohol and other drug abuse. Every plan shall communicate the availability of such this coverage to all group subscribers and to all prospective group subscribers with whom, they are negotiating.

(b) ~~If the group subscriber or policyholder agrees to such coverage or to coverage for treatment of chemical dependency, "I nicotine use, the~~ The following definitions are applicable to this section:

(1) "Alcohol and other drug abuse" means any use of alcohol or other drugs, or both, which produces a pattern of pathological use causing impairment in social or occupational functioning or which produces physiological dependency evidenced by physical tolerance or withdrawal.

(2) "Drugs" means addictive substances, and substances of abuse' scheduled in the California Uniform Controlled Substances Act.

(3) "Detoxification" means the process whereby an alcohol-intoxicated or drug-intoxicated or alcohol-dependent or drug-dependent person is assisted, in a facility licensed by the state through a period of time to eliminate, by metabolic or other means, the intoxicating alcohol or other drugs, alcohol and other

drug dependency factors or alcohol in combination with drugs', as determined by a licensed physician, while keeping the physiological risk to the patient at a minimum.

(4) "Hospital" means a facility licensed as a hospital by the state or operated by the state, and conducting an alcoholism and other drug addiction treatment program licensed by the state.

(5) "Inpatient care" means the provision of medical, nursing, counseling or therapeutic services 24 hours a day in a hospital or nonhospital facility, according to individualized treatment plans.

(6) "Nonhospital facility" means a facility, licensed by the state for the care or treatment of alcohol or other drug abusing and addicted persons, except for transitional living facilities.

(7) "Nonhospital residential care" means the provision of medical, nursing, counseling, or therapeutic services to patients suffering from alcohol and other drug abuse dependency, in a short-term or long-term residential environment, according to individualized treatment plans.

(8) "Outpatient care" means the provision of, medical, nursing, counseling, or therapeutic, services in a hospital or nonhospital facility on a regular and predetermined schedule, according to individualized treatment plans.

(9) "Partial hospitalization or intensive outpatient care" means the provision of medical, nursing, counseling or therapeutic services on a planned and regularly scheduled basis in a hospital or nonhospital facility or intensive outpatient program licensed as an alcohol and other drug addiction treatment program by the state, designed for a patient or client who would benefit from more intensive care than is offered in outpatient treatment but who does not require inpatient care.

(c) Treatment pursuant to this section shall include all of the following:

(1) Inpatient detoxification provided either in a hospital or an inpatient nonhospital facility which has a

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1 written referral agreement with a hospital for  
2 emergency, medical, and psychiatric or psychological  
3 support services.

4 (A) The following services shall be covered under  
5 inpatient detoxification:

6 (i) Lodging and dietary services.

7 (ii) Physician, psychologist, nurse, certified addictions  
8 counselor; and trained staff services.

9 (iii) Diagnostic X-ray.

10 (iv) Psychiatric, psychological, and medical laboratory  
11 testing.

12 (v) Drugs, medicines, equipment use, and supplies.

13 (B), Inpatient detoxification shall be covered for 15  
14 days in any calendar year unless medical complications  
15 require additional days.

16 (2) Nonhospital residential care provided in a facility  
17 which is appropriately licensed by the state as a  
18 nonhospital residential alcoholism and other drug  
19 addiction treatment program. Before an enrollee or  
20 subscriber may qualify to receive benefits under this  
21 paragraph, a licensed physician, licensed psychologist,  
22 licensed clinical social worker, or licensed marriage and  
23 family therapist must certify the enrollee or subscriber as  
24 a person suffering from alcohol and other drug abuse and  
25 refer the enrollee or subscriber for the appropriate  
26 treatment.

27 (A) All of the following services shall be covered under  
28 this paragraph:

29 (i) Lodging and dietary services.

30 (ii) Physician, psychologist, nurse, certified addictions  
31 counselor; licensed clinical social worker, licensed  
32 marriage and family therapist, and trained staff services.

33 (iii) Rehabilitation therapy and counseling.

34 (iv) Family counseling and intervention.

35 (v) Psychiatric, psychological, and medical laboratory  
36 tests.

37 (vi) Drugs, medicines, equipment use, and supplies.

38 (B) The treatment under this paragraph shall be  
39 covered for a minimum of 30 days per calendar year:

1 (3) Outpatient care provided in a facility  
2 appropriately licensed by the state as an outpatient  
3 alcohol and other drug, addiction treatment program.  
4 Before an enrollee or subscriber may qualify to receive  
5 benefits under this paragraph, a licensed physician,  
6 licensed psychologist, licensed clinical social worker, or  
7 licensed marriage and family therapist must certify the  
8 enrollee or subscriber as a person suffering from alcohol  
9 and other drug abuse, and refer the enrollee or subscriber  
10 for the appropriate treatment.

11 (A) All of the following services shall be covered under  
12 this paragraph:

13 (i) Physician, psychologist, nurse, certified addictions  
14 counselor; licensed clinical social worker, licensed  
15 marriage and family therapist, and trained staff services.

16 (ii) Rehabilitation therapy and counseling.

17 (iii) Family counseling and intervention.

18 (iv) Psychiatric, psychological, and medical laboratory  
19 test.

20 (v) Drugs, medicines, equipment use, and supplies.

21 (B) Treatment, under this paragraph shall be covered  
22 for a minimum of 60 outpatient, full-session visits per  
23 calendar year.

24 (4) Partial hospitalization or intensive outpatient care  
25 provided in a facility appropriately licensed by the state  
26 as an intensive outpatient or partial hospitalization  
27 alcoholism and other drug addiction treatment program.  
28 Before an enrollee or subscriber may qualify to receive  
29 benefits under this paragraph, a licensed physician,  
30 licensed psychologist, licensed clinical social worker, or  
31 licensed marriage and family therapist must certify the  
32 enrollee or subscriber as a person suffering from alcohol  
33 and other drug abuse or dependency and refer the  
34 enrollee or subscriber for the appropriate treatment.

35 (A) All of the following services shall be covered under  
36 this paragraph:

37 (i) Physician, psychologist, nurse, certified addictions  
38 counselor; licensed clinical social worker, licensed  
39 marriage and family therapist, and trained staff services.

40 (ii) Rehabilitation therapy and counseling.

- 1 (iii) Family counseling and intervention.  
 2 (iv) Psychiatric, psychological, and medical laboratory  
 3 tests.  
 4 (v) Drugs, medicines, equipment use, and supplies.  
 5 (B) Treatment under this paragraph shall be covered  
 6 for a minimum of 60 intensive outpatient, full-session  
 7 visits or days of partial hospitalization per calendar year.  
 8 (5) Family codependency treatment provided in a  
 9 facility appropriately licensed by the state as an  
 10 alcoholism and other drug addiction treatment program.  
 11 Before an enrollee, or subscriber may qualify to receive  
 12 benefits under this paragraph, a licensed physician,  
 13 licensed psychologist, licensed clinical social worker, or  
 14 licensed marriage and family therapist must certify the  
 15 enrollee or subscriber as a family member suffering from  
 16 codependency as a result of alcohol and other drug abuse  
 17 within the family, and refer the enrollee or subscriber for  
 18 the appropriate treatment.  
 19 (A) The following services shall be covered under this  
 20 paragraph:  
 21 (i) Physician, psychologist, nurse, certified addictions  
 22 counselor, licensed clinical social worker, licensed  
 23 marriage and family therapist, and trained staff services.  
 24 (ii) Rehabilitation therapy and counseling.  
 25 (iii) Family counseling, and intervention.  
 26 (iv) Psychiatric, psychological, and medical laboratory  
 27 tests.  
 28 (v) Prevention services for children.  
 29 (vi) Drugs, medicines, equipment use, and supplies.  
 30 (B) Treatment under this paragraph shall be covered  
 31 for a minimum of 60 outpatient, full-session visits per  
 32 calendar year  
 33 (d) The treatment for alcohol and other drug abuse  
 34 may take place in facilities licensed to provide alcoholism  
 35 or chemical dependency services under Chapter 2  
 36 (commencing with Section 1250) of Division 2. If the  
 37 group subscriber or policyholder agrees to coverage for  
 38 treatment of nicotine use, the treatment may take place  
 39 in facilities licensed to provide alcoholism or chemical

- 1 dependency services under Chapter 2 (commencing  
 2 with Section 1250) of Division 2.  
 3 (e) No health care service plan shall refuse to cover, or  
 4 refuse to continue to cover; or limit the amount, extent,  
 5 or kind of coverage available to an individual, or charge  
 6 a different rate for the same coverage solely because of  
 7 alcohol or other drug abuse. Coverage for alcohol and  
 8 other drug abuse pursuant to this section shall be subject  
 9 to all other terms and conditions of the plan that apply  
 10 generally to other benefits.  
 11 (f) This section is not applicable to Medicare or  
 12 Medi-Cal supplemental contracts.  
 13 (g) No person covered under a health care service  
 14 plan shall be denied coverage provided for in this section  
 15 because of the identification of alcohol or other drug  
 16 abuse that occurs as a result of contact with the criminal  
 17 justice or legal system.  
 18 SEC. 2. Section 10123.6 of the Insurance Code is  
 19 amended to read:  
 20 10123.6. (a) On and after January 1, 1990 2001, every  
 21 insurer issuing group disability insurance which covers  
 22 hospital, medical, or surgical expenses shall offer  
 23 coverage for the treatment of alcoholism under such  
 24 terms and conditions as may be agreed upon between the  
 25 group policyholder and the insurer alcohol and other  
 26 drug abuse. Every insurer shall communicate the  
 27 availability of such the coverage to all group  
 28 policyholders and to all prospective group policyholders  
 29 with whom they are negotiating.  
 30 If the group subscriber or policyholder agrees to such  
 31 coverage or to coverage for treatment of chemical  
 32 dependency, or nicotine use, the  
 33 (b) The following definitions are applicable to this  
 34 section:  
 35 (1) "Alcohol and other drug abuse" means any use of  
 36 alcohol or other drugs, or both, which produces a pattern  
 37 of, pathological use causing impairment in social or:  
 38 occupational functioning or which produces  
 39 physiological dependency evidenced by physical  
 40 tolerance or withdrawal.

- 1 (2) "Drugs" means addictive substances, and  
 2 substances of abuse scheduled in the California Uniform  
 3 Controlled Substances Act.
- 4 (3) "Detoxification" means the process whereby an  
 5 alcohol-intoxicated or drug-intoxicated or  
 6 alcohol-dependent or drug-dependent person is assisted,  
 7 in a facility licensed by the state through a period of time  
 8 to eliminate, by metabolic or other means, the  
 9 intoxicating alcohol or other drugs, alcohol and other  
 10 drug dependency factors or alcohol in combination with  
 11 drugs as determined by a licensed physician, while  
 12 keeping the physiological risk to the patient at a  
 13 minimum.
- 14 (4) "Hospital" means a facility licensed as a hospital by  
 15 the state or operated by the state, and conducting an  
 16 alcoholism and other drug addiction treatment program  
 17 licensed by the state.
- 18 (5) "Inpatient care" means the provision of medical,  
 19 nursing, counseling or therapeutic services 24 hours a  
 20 day in a hospital or nonhospital facility, according to,  
 21 individualized treatment plans.
- 22 (6) "Nonhospital facility" means a facility, licensed by  
 23 the state for the care or treatment of alcohol or, other drug  
 24 abusing and addicted persons, except for transitional  
 25 living facilities.
- 26 (7) "Nonhospital residential care" means the  
 27 provision of, medical, nursing, counseling, or therapeutic  
 28 services, to patients suffering from alcohol and other drug  
 29 abuse dependency in, a short-term or long-term  
 30 residential environment, according to individualized  
 31 treatment plans.
- 32 (8) "Outpatient care" means the provision of medical,  
 33 nursing, counseling, or therapeutic services in a, hospital  
 34 or nonhospital facility on a regular and predetermined  
 35 schedule, according to individualized treatment plans.
- 36 (9) "Partial hospitalization or intensive outpatient  
 37 care" means the provision of medical, nursing,  
 38 counseling, or therapeutic services on a planned and  
 39 regularly scheduled basis in a hospital or nonhospital  
 40 facility or intensive outpatient program licensed as an

- 1 alcoholism and other drug addiction treatment program  
 2 by the state, designed for a patient or client who would  
 3 benefit from more intensive care than is offered in  
 4 outpatient treatment but who does not require inpatient  
 5 care.
- 6 (c) Treatment pursuant to this section shall include all  
 7 of the following:
- 8 (1) Inpatient detoxification provided either in a  
 9 hospital or an inpatient, nonhospital facility which has a  
 10 written referral agreement with a hospital for  
 11 emergency, medical, and psychiatric or psychological  
 12 support services.
- 13 (A) The following services shall be covered under  
 14 inpatient detoxification:
- 15 (i) Lodging and dietary services.
- 16 (ii) Physician, psychologist, nurse, certified addiction  
 17 counselor and trained staff services.
- 18 (iii) Diagnostic X-ray.
- 19 (iv) Psychiatric, psychological, and medical laboratory  
 20 testing.
- 21 (v) Drugs, medicines, equipment use, and supplies.
- 22 (B) Inpatient detoxification shall be covered for 15  
 23 days in any calendar year unless medical complications  
 24 require additional days.
- 25 (2) Nonhospital residential care provided in a facility  
 26 which is appropriately licensed by the state as a  
 27 nonhospital residential alcoholism and other drug  
 28 addiction treatment program. Before an insured may  
 29 qualify to receive benefits under this paragraph, a  
 30 licensed physician, licensed psychologist, licensed clinical  
 31 social worker, or licensed marriage and family therapist  
 32 must certify the insured as a person suffering from alcohol  
 33 and other drug abuse and refer the insured for the  
 34 appropriate treatment.
- 35 (A) All of the following services shall be covered under  
 36 this paragraph:
- 37 (i) Lodging and dietary services.
- 38 (ii) Physician, psychologist, nurse, certified addiction  
 39 counselor; licensed clinical social worker, licensed  
 40 marriage and family therapist, and trained staff services.



1 (iii) Rehabilitation therapy and counseling.

2 (iv) Family counseling and intervention.

3 (v) Psychiatric, psychological, and medical laboratory  
4 tests.

5 (vi) Drugs, medicines, equipment use, and supplies.

6 (B) The treatment under this paragraph shall be.  
7 covered for a minimum of 30 days per calendar year.

8 (3) Outpatient care provided in a facility  
9 appropriately licensed by the state as an outpatient  
10 alcohol and other drug addiction treatment program.

11 Before an insured may, qualify to receive benefits under  
12 this paragraph, a licensed physician, licensed  
13 psychologist, licensed clinical social worker, or licensed  
14 marriage and family therapist must certify the insured as  
15 a person suffering from alcohol and other drug abuse, and  
16 refer the insured for the appropriate treatment.

17 (A) All of the following services shall be covered under  
18 this paragraph:

19 (i) Physician, psychologist, nurse, certified addictions  
20 counselor; licensed clinical social worker, licensed  
21 marriage and family therapist, and trained staff services.

22 (ii) Rehabilitation therapy and counseling.

23 (iii) Family counseling and intervention.

24 (iv) Psychiatric, psychological, and medical laboratory  
25 test.

26 (v) Drugs, medicines, equipment use, and supplies.

27 (B) Treatment under this paragraph shall be covered  
28 for a minimum of 60 outpatient, full-session visits per  
29 calendar year.

30 (4) Partial hospitalization or intensive outpatient care  
31 provided in a facility appropriately licensed by the state  
32 as an intensive outpatient or partial hospitalization  
33 alcoholism and other drug addiction treatment program.

34 Before an insured may qualify to receive benefits under  
35 this paragraph, a licensed physician, licensed  
36 psychologist, licensed clinical social worker, or licensed  
37 marriage and family therapist must certify the insured as

38 a person suffering from alcohol and other drug abuse or  
39 dependency and refer the insured for the appropriate  
40 treatment.

1 (A) All of the following services shall be covered under  
2 this paragraph:

3 (i) Physician, psychologist, nurse, certified addictions  
4 counselor; licensed clinical social worker, licensed  
5 marriage and family therapist, and trained staff services.

6 (ii) Rehabilitation therapy and counseling.

7 (iii) Family counseling and intervention.

8 (iv) Psychiatric, psychological, and medical laboratory  
9 tests.

10 (v) Drugs, medicines, equipment use, and supplies.

11 (B) Treatment under this paragraph shall be covered  
12 for a minimum of 60 intensive outpatient full-session visits  
13 or days of partial hospitalization per calendar year.

14 (5) Family codependency treatment provided in a  
15 facility appropriately licensed by the state as an  
16 alcoholism and other drug addiction treatment program.

17 Before an insured may qualify to receive benefits under  
18 this paragraph, a licensed physician, licensed  
19 psychologist, licensed clinical social worker, or licensed  
20 marriage and family therapist must certify the insured as  
21 a family member suffering from codependency as a result  
22 of alcohol and other drug abuse within the family, and  
23 refer the insured for the appropriate treatment.

24 (A) The following services shall be covered under this  
25 paragraph:

26 (i) Physician, psychologist, nurse, certified addictions  
27 counselor, licensed clinical social worker; licensed  
28 marriage and family therapist, and trained staff services.

29 (ii) Rehabilitation therapy and counseling.

30 (iii) Family counseling and intervention.

31 (iv) Psychiatric, psychological, and medical laboratory  
32 tests.

33 (v) Prevention services for children.

34 (vi) Drugs, medicines, equipment use, and supplies.

35 (B) Treatment under this paragraph shall be covered  
36 for a minimum of 60 outpatient, full-session visits per  
37 calendar year:

38 (d) The treatment for alcohol and other drug abuse  
39 may take place in facilities licensed to provide alcoholism  
40 or chemical dependency services under Chapter 2

1 (commencing with Section 1250) of Division 2 of the  
2 Health and Safety Code. ***If the group subscriber or***  
3 ***policyholder agrees to coverage for the treatment of***  
4 ***nicotine use, the treatment may take place in facilities***  
5 ***licensed to provide alcoholism or chemical dependency***  
6 ***services under Chapter 2 (commencing with Section***  
7 ***1250) of Division 2.***

8 (e) (1) ***No insurer that issues a policy or certificate of***  
9 ***disability insurance covered by this section shall refuse to***  
10 ***cover; or refuse to continue 'to cover; or limit the amount,***  
11 ***extent, or kind, of coverage available to an insured, or***  
12 ***charge a different rate for the same coverage solely***  
13 ***because of alcohol or other drug abuse. Coverage for***  
14 ***alcohol and other drug abuse pursuant to this section shall***  
15 ***be subject to all other terms and conditions of the policy***  
16 ***or certificate that apply generally to other benefits:***

17 (2) Treatment for nicotine use may be subject to  
18 separate deductibles, copayments, and overall cost  
19 limitations as determined by the policy ***or certificate.***

20 (f) ***This section is not applicable to Medicare or***  
21 ***Medi-Cal supplemental contracts.***

22 (g) ***No person covered under a policy or certificate***  
23 ***subject to this section shall be denied coverage provided***  
24 ***for in this section because of the identification of alcohol***  
25 ***or other drug 'abuse that occurs as a result of contact with***  
26 ***the criminal justice or legal system.***

27 SEC. 3. Section 10123.14 of the Insurance Code is  
28 amended to read: "

29 10123.14. (a) On and after January 1, 1990, every  
30 self-insured employee welfare benefit plan containing  
31 hospital, medical, or surgical expense benefits or service  
32 benefits may provide coverage for ~~the treatment of~~  
33 ~~alcoholism, chemical dependency, or nicotine use under~~  
34 ~~such the terms and conditions as may be agreed upon~~  
35 between the self-insured ***employee*** welfare benefit plan  
36 and the member, where the treatment, may take place in  
37 facilities licensed to provide alcoholism or chemical  
38 dependency services under Chapter. 2 (commencing  
39 with Section 1250) of Division 2 of the Health and Safety  
40 Code.,

1 Treatment for nicotine use may be subject to separate  
2 deductibles, copayments, and overall cost limitations as  
3 determined by the plan.

4 (b) ***On and after January 1, 2001, every self-insured***  
5 ***employee welfare benefit , plan containing hospital,***  
6 ***medical; or surgical expense benefits or service benefits***  
7 ***shall offer coverage for the treatment of alcohol and other***  
8 ***drug abuse. Every plan shall communicate the***  
9 ***'availability of the coverage to all members and to all***  
10 ***prospective members.***

11 (c) ***The following definitions are applicable to this***  
12 ***section:***

13 (1) ***"Alcohol and other drug abuse" means any use of***  
14 ***alcohol or other drugs, or both, which produces a pattern***  
15 ***of pathological use causing impairment in social or***  
16 ***occupational functioning or which produces***  
17 ***physiological dependency evidenced by physical***  
18 ***tolerance or withdrawal.***

19 (2) ***"Drugs" means addictive substances, and***  
20 ***substances of abuse scheduled in the California Uniform***  
21 ***Controlled Substances Act.***

22 (3) ***"Detoxification" means the process whereby an***  
23 ***alcohol-in toxica ted or drug-intoxicated or***  
24 ***alcohol-dependent or drug-dependent person is assisted,***  
25 ***in a facility' licensed by the state through a period of time***  
26 ***to eliminate, by metabolic or other means, the***  
27 ***intoxicating alcohol or other drugs, alcohol and other***  
28 ***drug dependency factors or alcohol in combination with***  
29 ***drugs as determined by a licensed physician, while***  
30 ***keeping the physiological risk to the patient at a***  
31 ***minimum.***

32 (4) ***"Hospital" means a facility licensed as a hospital by***  
33 ***the state or operated by the state, and conducting an***  
34 ***alcoholism and other drug addiction treatment program***  
35 ***licensed by the state.***

36 (5) ***"Inpatient care" means the provision of medical,***  
37 ***nursing, counseling or therapeutic services 24 hours a***  
38 ***day in a hospital or nonhospital facility, according to***  
39 ***individualized treatment plans.***

1 (6) "Nonhospital facility" means a facility, licensed by  
2 the state for the care or treatment of alcohol or, other drug  
3 abusing and addicted persons, except for transitional  
4 living facilities.

5 (7) "Nonhospital residential care" means the  
6 provision of medical, nursing, counseling, or therapeutic  
7 services to patients suffering from alcohol and other drug  
8 abuse dependency in a short-term or long-term  
9 residential environment, according to individualized  
10 treatment plans.

11 (8) "Outpatient care" means the provision of medical,  
12 nursing, counseling, or therapeutic services in a hospital  
13 or nonhospital facility on a regular and predetermined  
14 schedule, according to individualized treatment plans.

15 (9) "Partial hospitalization or intensive, outpatient  
16 care" means the provision of medical, nursing,  
17 counseling, or therapeutic services on a planned and  
18 regularly scheduled basis in a hospital or nonhospital  
19 facility or, intensive outpatient program licensed as an  
20 alcoholism and, other drug addiction treatment program  
21 by the state; designed for a patient or client who would  
22 benefit from more intensive care than is offered in  
23 outpatient, treatment but who does not require inpatient  
24 care.

25 (d) Treatment pursuant to, this section shall include all  
26 of the following:

27 (1) Inpatient detoxification provided either in a  
28 hospital or an inpatient nonhospital facility which has a  
29 written referral agreement with a hospital for  
30 emergency, medical, and psychiatric or psychological  
31 support services.

32 (A) The following services shall be covered under  
33 inpatient detoxification:

34 (i) Lodging and dietary services.

35 (ii) Physician, psychologist, nurse, certified addictions  
36 counselor, and trained staff services.

37 (iii) Diagnostic X-ray.

38 (iv) Psychiatric, psychological, and medical laboratory  
39 testing.

40 (v) Drugs, medicines, equipment use, and supplies.

1 (B) Inpatient detoxification shall be covered for 15  
2 days in any calendar year unless medical complications  
3 require additional days.

4 (2) Nonhospital residential care provided in a facility  
5 which is appropriately licensed by the state as a  
6 nonhospital residential alcoholism and other drug  
7 addiction treatment program. Before a person covered  
8 by a plan subject to this section may qualify to receive  
9 benefits under this paragraph, a licensed physician,  
10 licensed psychologist, licensed clinical social worker, or  
11 licensed marriage and family therapist must certify that  
12 person as suffering from alcohol and other drug abuse and  
13 refer the person for the appropriate treatment.

14 (A) All of the following services shall be covered under  
15 this paragraph:

16 (i) Lodging and dietary services.

17 (ii) Physician, psychologist, nurse, certified addictions  
18 counselor; licensed clinical social worker; licensed  
19 marriage and family therapist, and trained staff services.

20 (iii) Rehabilitation therapy and counseling.

21 (iv) Family counseling and intervention.

22 (v) Psychiatric, psychological, and medical laboratory  
23 tests.

24 (vi) Drugs, medicines, equipment use, and supplies.

25 (B) The treatment under this paragraph shall be  
26 covered for a minimum of 30 days per calendar year

27 (3) Outpatient care provided in a facility  
28 appropriately licensed by the state as an outpatient  
29 alcohol and other drug addiction treatment program.  
30 Before a person covered by a plan subject to this section  
31 may qualify to receive benefits under this paragraph a  
32 licensed physician, licensed psychologist, licensed clinical  
33 social worker, or licensed marriage and family therapist  
34 must certify that person as suffering from alcohol and  
35 other drug abuse, and refer the person for the  
36 appropriate treatment.

37 (A) All of the following services shall be covered under  
38 this paragraph:

- 1 (i) Physician, psychologist, nurse, certified addictions
- 2 counselor; licensed clinical social worker; licensed
- 3 marriage and family therapist, and trained staff services.
- 4 (ii) Rehabilitation therapy and counseling.
- 5 (iii) Family counseling and intervention.
- 6 (iv) Psychiatric, psychological, and medical laboratory
- 7 test.
- 8 (v) Drugs, medicines, equipment use, and supplies:
- 9 (B) Treatment under this paragraph shall be covered
- 10 for a minimum of 60 outpatient, full-session visits per
- 11 calendar year:
- 12 (4) 'Partial hospitalization or intensive outpatient care
- 13 provided in a facility appropriately licensed by the state
- 14 as an intensive outpatient or partial hospitalization
- 15 alcoholism and other drug addiction treatment program.
- 16 Before a person covered by a plan subject to this section
- 17 may, qualify to receive benefits under this paragraph, a
- 18 licensed physician, licensed psychologist, licensed clinical
- 19 social worker, or licensed marriage and family therapist
- 20 must certify that person as suffering from alcohol and
- 21 other drug abuse or dependency and refer the person for
- 22 the appropriate treatment.
- 23 (A) All of the following services shall be covered under
- 24 this paragraph:
- 25 (i) Physician, psychologist, nurse, certified addictions
- 26 counselor; licensed clinical social worker; licensed
- 27 marriage and family therapist, and trained staff services.
- 28 (ii) Rehabilitation therapy and counseling.
- 29 (iii) Family counseling and intervention.
- 30 (iv) 'Psychiatric, psychological, and medical laboratory
- 31 tests.
- 32 (v) Drugs, medicines, equipment use, and supplies.
- 33 (B) Treatment under this paragraph shall be covered
- 34 for a minimum of 60 intensive outpatient, full-session
- 35 visits or days of partial hospitalization per calendar year.
- 36 (5) Family codependency treatment provided in a
- 37 facility appropriately licensed by the state as an
- 38 alcoholism and other drug addiction treatment program.
- 39 Before a person covered by a plan subject to this section
- 40 may qualify to receive benefits under this paragraph, a

- 1 licensed physician, licensed psychologist, licensed clinical
- 2 social worker, or licensed marriage and family therapist
- 3 must certify that person as a family member suffering
- 4 from codependency as a result of alcohol and other drug
- 5 abuse within the family, and refer the person for the
- 6 appropriate treatment.
- 7 (A) The following services shall be covered under this
- 8 paragraph:
- 9 (i) Physician, psychologist, nurse, certified addictions
- 10 counselor; licensed clinical social worker; licensed
- 11 marriage and family therapist, and trained staff services.
- 12 (ii) Rehabilitation therapy and counseling.
- 13 (iii) Family counseling, and intervention.
- 14 (iv) Psychiatric, psychological, and medical laboratory
- 15 tests.
- 16 (v) Prevention services for children.
- 17 (vi) Drugs, medicines, equipment use, and supplies.
- 18 (B) Treatment under this paragraph shall be covered
- 19 for a minimum of 60 outpatient, full-session visits per
- 20 calendar year
- 21 (e) The treatment for alcohol and other drug abuse
- 22 may take place in facilities licensed to provide alcoholism
- 23 or chemical dependency services under Chapter 2
- 24 (commencing with Section 1250) of Division 2.
- 25 (f) No plan covered by this section shall refuse to
- 26 cover, or refuse to continue to cover, or limit the amount,
- 27 extent, or kind of coverage available to an individual, or
- 28 charge a different rate for the same coverage solely
- 29 because of alcohol or other drug abuse. Coverage for
- 30 alcohol and other drug abuse pursuant to this section shall
- 31 be subject to all other terms and conditions of the plan
- 32 that apply generally to other benefits.
- 33 (g) No person covered by a plan subject to this section
- 34 shall be denied coverage provided for in this section
- 35 because of the identification of alcohol or other drug
- 36 abuse that occurs as a result of contact with the criminal
- 37 justice or legal system.
- 38 SEC. 4. No reimbursement is required by this act
- 39 pursuant to Section 6 of Article XIII B of the California,
- 40 Constitution because the only costs that may be incurred

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1 by a local agency or school district will be incurred  
2 because this act creates a new crime or infraction,  
3 eliminates a crime or infraction, or changes the penalty  
4 for a crime or infraction, within the meaning of Section  
5 17556 of the Government Code, or changes the definition  
6 of a crime within the meaning of Section 6 of Article  
7 XIII B of the California Constitution.