

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 714

Pensions & Retirement and Insurance Committee Substitute Adopted 4/29/97

House Committee Substitute Favorable 5/15/97

Short Title: Coverage for Reconstr. Surgery.

(Public)

Sponsors:

Referred to:

April 7, 1997

A BILL TO BE ENTITLED

AN ACT TO REQUIRE HEALTH AND ACCIDENT INSURANCE POLICIES, HOSPITAL OR MEDICAL SERVICE PLANS, HMO PLANS, AND THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN TO PROVIDE COVERAGE FOR RECONSTRUCTIVE BREAST SURGERY RESULTING FROM MASTECTOMY.

The General Assembly of North Carolina enacts:

Section 1. Article 51 of Chapter 58 of the General Statutes is amended by adding the following new section to read:

"§ 58-51-61. Coverage for reconstructive breast surgery resulting from mastectomy.

(a) Every policy or contract of accident and health insurance, and every preferred provider contract, policy, or plan as defined and regulated under G.S. 58-50-50 and G.S. 58-50-55, that is issued, renewed, or amended on or after January 1, 1998, and that provides coverage for mastectomy shall provide coverage for reconstructive breast surgery resulting from a mastectomy. The coverage shall include coverage for all stages and revisions of reconstructive breast surgery performed on a nondiseased breast to establish symmetry when reconstructive surgery on a diseased breast is performed. The same deductibles, coinsurance, and other limitations as apply to similar services covered

1 under the policy, contract, or plan shall apply to coverage for reconstructive breast
2 surgery. Reconstruction of the nipple/areolar complex following a mastectomy is
3 covered without regard to the lapse of time between the mastectomy and the
4 reconstruction, subject to the approval of the treating physician.

5 (b) As used in this section, the following terms have the meanings indicated:

6 (1) 'Mastectomy' means the surgical removal of all or part of a breast as a
7 result of breast cancer or breast disease.

8 (2) 'Reconstructive breast surgery' means surgery performed as a result of a
9 mastectomy to reestablish symmetry between the two breasts, and
10 includes reconstruction of the mastectomy site, creation of a new breast
11 mound, and creation of a new nipple/areolar complex. 'Reconstructive
12 breast surgery' also includes augmentation mammoplasty, reduction
13 mammoplasty, and mastopexy of the nondiseased breast.

14 (c) A policy, contract, or plan subject to this section shall not:

15 (1) Deny coverage described in subsection (a) of this section on the basis
16 that the coverage is for cosmetic surgery;

17 (2) Deny to a woman eligibility or continued eligibility to enroll or to renew
18 coverage under the terms of the contract, policy, or plan, solely for the
19 purpose of avoiding the requirements of this section;

20 (3) Provide monetary payments or rebates to a woman to encourage her to
21 accept less than the minimum protections available under this section;

22 (4) Penalize or otherwise reduce or limit the reimbursement of an attending
23 provider because the provider provided care to an individual participant
24 or beneficiary in accordance with this section; or

25 (5) Provide incentives, monetary or otherwise, to an attending provider to
26 induce the provider to provide care to an individual participant or
27 beneficiary in a manner inconsistent with this section."

28 Section 2. Article 65 of Chapter 58 of the General Statutes is amended by
29 adding the following new section to read:

30 **"§ 58-65-96. Coverage for reconstructive breast surgery following mastectomy.**

31 (a) Every insurance certificate or subscriber contract under any hospital service
32 plan or medical service plan governed by this Article and Article 66 of this Chapter, and
33 every preferred provider contract, policy, or plan as defined and regulated under G.S. 58-
34 50-50 and G.S. 58-50-55, that is issued, renewed, or amended on or after January 1, 1998,
35 that provides coverage for mastectomy shall provide coverage for reconstructive breast
36 surgery resulting from a mastectomy. The coverage shall include coverage for all stages
37 and revisions of reconstructive breast surgery performed on a nondiseased breast to
38 establish symmetry when reconstructive surgery on a diseased breast is performed. The
39 same deductibles, coinsurance, and other limitations as apply to similar services covered
40 under the policy, contract, or plan shall apply to coverage for reconstructive breast
41 surgery. Reconstruction of the nipple/areolar complex following a mastectomy is
42 covered without regard to the lapse of time between the mastectomy and the
43 reconstruction, subject to the approval of the treating physician.

- 1 (b) As used in this section, the following terms have the meanings indicated:
2 (1) 'Mastectomy' means the surgical removal of all or part of a breast as a
3 result of breast cancer or breast disease.
4 (2) 'Reconstructive breast surgery' means surgery performed as a result of a
5 mastectomy to reestablish symmetry between the two breasts, and
6 includes reconstruction of the mastectomy site, creation of a new breast
7 mound, and creation of a new nipple/areolar complex. 'Reconstructive
8 breast surgery' also includes augmentation mammoplasty, reduction
9 mammoplasty, and mastopexy of the nondiseased breast.
- 10 (c) A policy, contract, or plan subject to this section shall not:
11 (1) Deny coverage described in subsection (a) of this section on the basis
12 that the coverage is for cosmetic surgery;
13 (2) Deny to a woman eligibility or continued eligibility to enroll or to renew
14 coverage under the terms of the contract, policy, or plan, solely for the
15 purpose of avoiding the requirements of this section;
16 (3) Provide monetary payments or rebates to a woman to encourage her to
17 accept less than the minimum protections available under this section;
18 (4) Penalize or otherwise reduce or limit the reimbursement of an attending
19 provider because the provider provided care to an individual participant
20 or beneficiary in accordance with this section; or
21 (5) Provide incentives, monetary or otherwise, to an attending provider to
22 induce the provider to provide care to an individual participant or
23 beneficiary in a manner inconsistent with this section."

24 Section 3. Article 67 of Chapter 58 of the General Statutes is amended by
25 adding the following new section to read:

26 **"§ 58-67-79. Coverage for reconstructive breast surgery following mastectomy.**

27 (a) Every health care plan written by a health maintenance organization and in
28 force, issued, renewed, or amended on or after January 1, 1998, that is subject to this
29 Article and that provides coverage for mastectomy shall provide coverage for
30 reconstructive breast surgery resulting from a mastectomy. The coverage shall include
31 coverage for all stages and revisions of reconstructive breast surgery performed on a
32 nondiseased breast to establish symmetry when reconstructive surgery on a diseased
33 breast is performed. The same deductibles, coinsurance, and other limitations as apply to
34 similar services covered under the policy, contract, or plan shall apply to coverage for
35 reconstructive breast surgery. Reconstruction of the nipple/areolar complex following a
36 mastectomy is covered without regard to the lapse of time between the mastectomy and
37 the reconstruction, subject to the approval of the treating physician.

- 38 (b) As used in this section, the following terms have the meanings indicated:
39 (1) 'Mastectomy' means the surgical removal of all or part of a breast as a
40 result of breast cancer or breast disease.
41 (2) 'Reconstructive breast surgery' means surgery performed as a result of a
42 mastectomy to reestablish symmetry between the two breasts, and
43 includes reconstruction of the mastectomy site, creation of a new breast

1 mound, and creation of a new nipple/areolar complex. 'Reconstructive
2 breast surgery' also includes augmentation mammoplasty, reduction
3 mammoplasty, and mastopexy of the nondiseased breast.

4 (c) A policy, contract, or plan subject to this section shall not:

- 5 (1) Deny coverage described in subsection (a) of this section on the basis
6 that the coverage is for cosmetic surgery;
- 7 (2) Deny to a woman eligibility or continued eligibility to enroll or to renew
8 coverage under the terms of the contract, policy, or plan, solely for the
9 purpose of avoiding the requirements of this section;
- 10 (3) Provide monetary payments or rebates to a woman to encourage her to
11 accept less than the minimum protections available under this section;
- 12 (4) Penalize or otherwise reduce or limit the reimbursement of an attending
13 provider because the provider provided care to an individual participant
14 or beneficiary in accordance with this section; or
- 15 (5) Provide incentives, monetary or otherwise, to an attending provider to
16 induce the provider to provide care to an individual participant or
17 beneficiary in a manner inconsistent with this section."

18 Section 4. Effective January 1, 1998, G.S. 58-50-155 reads as rewritten:

19 "§ 58-50-155. Standard and basic health care plan coverages.

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

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

27 (a2) Notwithstanding G.S. 58-50-125(c), the standard health plan developed and
28 approved under G.S. 58-50-125 shall provide coverage for reconstructive breast surgery
29 resulting from a mastectomy at least equal to the coverage required by G.S. 58-51-61.

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

34 Section 5. Effective January 1, 1998, G.S. 135-40.6(5) is amended by adding
35 the following new sub-subdivision to read:

36 "h. Reconstructive Breast Surgery: Reconstructive breast surgery
37 resulting from a mastectomy. The coverage shall include all
38 stages and revisions of reconstructive breast surgery performed
39 on a nondiseased breast to establish symmetry when
40 reconstructive surgery on a diseased breast is performed. As
41 used in this sub-subdivision, (i) 'mastectomy' means the surgical
42 removal of all or part of a breast as a result of breast cancer or
43 breast disease; (ii) 'reconstructive breast surgery' means surgery

1 performed as a result of a mastectomy to reestablish symmetry
2 between the two breasts, and includes reconstruction of the
3 mastectomy site, creation of a new breast mound, and creation of
4 a new nipple/areolar complex. 'Reconstructive breast surgery'
5 also includes augmentation mammoplasty, reduction
6 mammoplasty, and mastopexy of the nondiseased breast.
7 Coverage described under this sub-subdivision shall not be
8 denied on the basis that the coverage is for cosmetic surgery.
9 Reconstruction of the nipple/areolar complex following a
10 mastectomy is covered without regard to the lapse of time
11 between the mastectomy and the reconstruction, subject to the
12 approval of the treating physician."

13 Section 6. Nothing in this act shall apply to specified accident, specified
14 disease, hospital indemnity, or long-term care health insurance policies.

15 Section 7. This act is effective when it becomes law.