COMMITTEE REPORT

May 13, 2010

**S. 1378**

Introduced by Senators Pinckney, Malloy, Land, Leventis, Lourie, Nicholson, Williams and Ford

S. Printed 5/13/10--S.

Read the first time April 21, 2010.

**THE COMMITTEE ON BANKING AND INSURANCE**

To whom was referred a Bill (S. 1378) to amend the Code of Laws of South Carolina, 1976, by adding Section 38‑71‑295 so as to require individual and group health insurance contracts, plans, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, Section 38‑71‑295, SECTION 1, page 1, beginning on line 38, by striking:

/ and one‑half hours/ and inserting / one‑half hour /.

Renumber sections to conform.

Amend title to conform.

DAVID L. THOMAS for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

**EXPLANATION OF IMPACT:**

Department of Insurance

The department indicates that the bill would have a minimal impact on the General Fund of the State which would be absorbed within existing resources.

State Budget and Control Board

The board indicates there is no cost to the State Health Plan with the adoption of this bill.

*Approved By:*

Harry Bell

Office of State Budget

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38‑71‑295 SO AS TO REQUIRE INDIVIDUAL AND GROUP HEALTH INSURANCE CONTRACTS, PLANS, OR POLICIES WHICH PROVIDE MEDICAL COVERAGE THAT INCLUDES COVERAGE FOR PHYSICIAN SERVICES IN A PHYSICIAN’S OFFICE AND MAJOR MEDICAL COMPREHENSIVE‑TYPE COVERAGE TO INCLUDE COVERAGE FOR SMOKING CESSATION TREATMENT AND TO REQUIRE CERTAIN COVERAGE FOR FDA APPROVED SMOKING CESSATION MEDICATIONS, AND TO PROVIDE CERTAIN EXCLUSIONS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 71, Title 38 of the 1976 Code is amended by adding:

“Section 38‑71‑295. (A) As used in this section, ‘smoking cessation treatment’ includes the use of an over‑the‑counter (OTC) or prescription smoking cessation medication approved by the United States Food and Drug Administration (FDA), when used in accordance with FDA approval, for not more than two courses of medication of up to fourteen weeks each, annually, when recommended and prescribed by a person who holds prescriptive privileges in the state in which he is licensed, and used in combination with an annual outpatient benefit of sixteen and one‑half hours evidence‑based smoking cessation counseling sessions provided by a qualified practitioner for each covered individual. Smoking cessation treatment may be redefined through regulation promulgated by the Director of Insurance in accordance with the most current clinical practice guidelines sponsored by the United States Department of Health and Human Services or its component agencies.

(B) An individual or group health insurance contract, plan, or policy delivered, issued for delivery, or renewed in this State on or after January 1, 2011, which provides medical coverage that includes coverage for physician services in a physician’s office, and every policy which provides major medical or similar comprehensive‑type coverage, shall include coverage for smoking cessation treatment, provided that if this medical coverage does not include prescription drug coverage, the contract, plan, or policy is not required to include coverage for FDA approved smoking cessation medications.

(C) Health insurance contracts, plans, or policies to which this section applies may impose copayments or deductibles, or both, for the benefits mandated by this section consistent with the contracts’, plans’, or policies’ copayments or deductibles, or both, for physician services and medications. Nothing contained in this section shall impact the reimbursement, medical necessity or utilization review, managed care, or case management practices of these health insurance contracts, plans, or policies.

(D) This section does not apply to insurance coverage providing benefits for:

(1) hospital confinement indemnity;

(2) disability income;

(3) accident only;

(4) long‑term care;

(5) Medicare supplement;

(6) limited benefit health;

(7) specified disease indemnity;

(8) sickness or bodily injury or death by accident or both; and

(9) other limited benefit policies.”

SECTION 2. This act takes effect upon approval by the Governor.

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