

107TH CONGRESS
1ST SESSION

H. R. 547

To amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans provide coverage for hair prostheses for individuals with scalp hair loss as a result of alopecia areata.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2001

Ms. RIVERS introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans provide coverage for hair prostheses for individuals with scalp hair loss as a result of alopecia areata.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. COVERAGE OF HAIR PROSTHESES FOR INDIVIDUALS WITH SCALP HAIR LOSS AS A RESULT OF ALOPECIA AREATA.**

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4 (a) GROUP HEALTH PLANS.—

5 (1) PUBLIC HEALTH SERVICE ACT AMENDMENTS.—(A) Subpart 2 of part A of title XXVII of the Public Health Service Act is amended by adding at the end the following new section:

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9 **“SEC. 2707. REQUIREMENT FOR COVERAGE OF HAIR PROSTHESES FOR INDIVIDUALS WITH SCALP HAIR LOSS AS A RESULT OF ALOPECIA AREATA.**

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12 “(a) REQUIREMENT.—

13 “(1) IN GENERAL.—A group health plan, and a health insurance issuer offering health insurance coverage in connection with a group health plan, shall provide coverage for scalp hair prosthesis for a participant or beneficiary who has scalp hair loss as a result of alopecia areata if the attending physician of the participant or beneficiary certifies in writing the medical necessity of that proposed course of rehabilitative treatment.

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22 “(2) COST-SHARING.—The coverage required under this subsection is not subject to dollar limits, deductibles, and coinsurance provisions that are less favorable than those for other prosthesis coverage under the plan or coverage, except that a group

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1 health plan or health insurance issuer may provide
2 that the plan or issuer will only pay for 80 percent
3 of the customary and usual costs of the scalp hair
4 prosthesis exclusive of any deductible.

5 “(3) DEFINITION.—As used in this subsection,
6 the term ‘scalp hair prosthesis’ includes any artifi-
7 cial substitutes for scalp hair.

8 “(b) NOTICE.—A group health plan under this part
9 shall comply with the notice requirement under section
10 714(b) of the Employee Retirement Income Security Act
11 of 1974 with respect to the requirements of this section
12 as if such section applied to such plan.”.

13 (B) Section 2723(c) of such Act (42 U.S.C.
14 300gg-23(c)) is amended by striking “section 2704”
15 and inserting “sections 2704 and 2707”.

16 (2) ERISA AMENDMENTS.—(A) Subpart B of
17 part 7 of subtitle B of title I of the Employee Re-
18 tirement Income Security Act of 1974 is amended by
19 adding at the end the following new section:

20 **“SEC. 714. REQUIREMENT FOR COVERAGE OF HAIR PROS-**
21 **THESES FOR INDIVIDUALS WITH SCALP HAIR**
22 **LOSS AS A RESULT OF ALOPECIA AREATA.**

23 “(a) REQUIREMENT.—

24 “(1) IN GENERAL.—A group health plan, and a
25 health insurance issuer offering health insurance

1 coverage in connection with a group health plan,
2 shall provide coverage for scalp hair prosthesis for a
3 participant or beneficiary who has scalp hair loss as
4 a result of alopecia areata if the attending physician
5 of the participant or beneficiary certifies in writing
6 the medical necessity of that proposed course of re-
7 habilitative treatment.

8 “(2) COST-SHARING.—The coverage required
9 under this subsection is not subject to dollar limits,
10 deductibles, and coinsurance provisions that are less
11 favorable than those for other prosthesis coverage
12 under the plan or coverage, except that a group
13 health plan or health insurance issuer may provide
14 that the plan or issuer will only pay for 80 percent
15 of the customary and usual costs of the scalp hair
16 prosthesis exclusive of any deductible.

17 “(3) DEFINITION.—As used in this subsection,
18 the term ‘scalp hair prosthesis’ includes any artifi-
19 cial substitutes for scalp hair.

20 “(b) NOTICE UNDER GROUP HEALTH PLAN.—The
21 imposition of the requirement of this section shall be treat-
22 ed as a material modification in the terms of the plan de-
23 scribed in section 102(a)(1), for purposes of assuring no-
24 tice of such requirements under the plan; except that the
25 summary description required to be provided under the

1 last sentence of section 104(b)(1) with respect to such
2 modification shall be provided by not later than 60 days
3 after the first day of the first plan year in which such
4 requirement apply.”.

5 (B) Section 731(c) of such Act (29 U.S.C.
6 1191(c)) is amended by striking “section 711” and
7 inserting “sections 711 and 714”.

8 (C) Section 732(a) of such Act (29 U.S.C.
9 1191a(a)) is amended by striking “section 711” and
10 inserting “sections 711 and 714”.

11 (D) The table of contents in section 1 of such
12 Act is amended by inserting after the item relating
13 to section 713 the following new item:

“See. 714. Requirement for coverage of hair prostheses for individuals with
scalp hair loss as a result of alopecia areata.”.

14 (3) INTERNAL REVENUE CODE AMEND-
15 MENTS.—

16 (A) IN GENERAL.—Subchapter B of chapter
17 100 of the Internal Revenue Code of 1986
18 is amended—

19 (i) in the table of sections, by insert-
20 ing after the item relating to section 9812
21 the following new item:

“Sec. 9813. Requirement for coverage of hair prostheses for indi-
viduals with scalp hair loss as a result of alopecia
areata.”; and

1 (ii) by inserting after section 9812 the
2 following:

3 **“SEC. 9813. REQUIREMENT FOR COVERAGE OF HAIR PROS-**
4 **THESES FOR INDIVIDUALS WITH SCALP HAIR**
5 **LOSS AS A RESULT OF ALOPECIA AREATA.**

6 "(a) REQUIREMENT.—A group health plan shall pro-
7 vide coverage for scalp hair prosthesis for an participant
8 or beneficiary who has scalp hair loss as a result of alope-
9 cia areata if the attending physician of the participant or
10 beneficiary certifies in writing the medical necessity of
11 that proposed course of rehabilitative treatment.

12 "(b) COST-SHARING.—The coverage required under
13 this section is not subject to dollar limits, deductibles, and
14 coinsurance provisions that are less favorable than those
15 for other prosthesis coverage under the plan or coverage,
16 except that a group health plan may provide that the plan
17 will only pay for 80 percent of the customary and usual
18 costs of the scalp hair prosthesis exclusive of any deduct-
19 ible.

20 "(c) DEFINITION.—As used in this section, the term
21 'scalp hair prosthesis' includes any artificial substitutes
22 for scalp hair.".

23 (B) CONFORMING AMENDMENT.—Section
24 4980D(d)(1) of such Code is amended by strik-

1 ing “section 9811” and inserting “sections
2 9811 and 9813”.

3 (b) INDIVIDUAL HEALTH INSURANCE.—(1) Part B
4 of title XXVII of the Public Health Service Act is amend-
5 ed by inserting after section 2752 the following new sec-
6 tion:

7 **“SEC. 2753. REQUIREMENT FOR COVERAGE OF HAIR PROS-**
8 **THESES FOR INDIVIDUALS WITH SCALP HAIR**
9 **LOSS AS A RESULT OF ALOPECIA AREATA.**

10 “(a) IN GENERAL.—The provisions of section
11 2707(a) shall apply to health insurance coverage offered
12 by a health insurance issuer in the individual market in
13 the same manner as they apply to health insurance cov-
14 erage offered by a health insurance issuer in connection
15 with a group health plan in the small or large group mar-
16 ket.

17 “(b) NOTICE.—A health insurance issuer under this
18 part shall comply with the notice requirement under sec-
19 tion 714(b) of the Employee Retirement Income Security
20 Act of 1974 with respect to the requirements referred to
21 in subsection (a) as if such section applied to such issuer
22 and such issuer were a group health plan.”.

23 (2) Section 2762(b)(2) of such Act (42 U.S.C.
24 300gg-62(b)(2)) is amended by striking “section 2751”
25 and inserting “sections 2751 and 2753”.

1 (c) EFFECTIVE DATES.—

2 (1) GROUP HEALTH PLANS AND GROUP
3 HEALTH INSURANCE COVERAGE.—Subject to para-
4 graph (3), the amendments made by subsection (a)
5 apply with respect to group health plans for plan
6 years beginning on or after January 1, 2002.7 (2) INDIVIDUAL HEALTH INSURANCE COV-
8 ERAGE.—The amendments made by subsection (b)
9 apply with respect to health insurance coverage of-
10 fered, sold, issued, renewed, in effect, or operated in
11 the individual market on or after such date.12 (3) COLLECTIVE BARGAINING EXCEPTION.—In
13 the case of a group health plan maintained pursuant
14 to 1 or more collective bargaining agreements be-
15 tween employee representatives and 1 or more em-
16 ployers ratified before the date of enactment of this
17 Act, the amendments made subsection (a) shall not
18 apply to plan years beginning before the later of—19 (A) the date on which the last collective
20 bargaining agreements relating to the plan ter-
21 minates (determined without regard to any ex-
22 tension thereof agreed to after the date of en-
23 actment of this Act), or

24 (B) January 1, 2002.

1 For purposes of subparagraph (A), any plan amend-
2 ment made pursuant to a collective bargaining
3 agreement relating to the plan which amends the
4 plan solely to conform to any requirement added by
5 subsection (a) shall not be treated as a termination
6 of such collective bargaining agreement.

7 (d) COORDINATION OF ADMINISTRATION.—The Sec-
8 retary of Labor, the Secretary of the Treasury, and the
9 Secretary of Health and Human Services shall ensure,
10 through the execution of an interagency memorandum of
11 understanding among such Secretaries, that—

12 (1) regulations, rulings, and interpretations
13 issued by such Secretaries relating to the same mat-
14 ter over which two or more such Secretaries have re-
15 sponsibility under the provisions of this Act (and the
16 amendments made thereby) are administered so as
17 to have the same effect at all times; and

18 (2) coordination of policies relating to enforcing
19 the same requirements through such Secretaries in
20 order to have a coordinated enforcement strategy
21 that avoids duplication of enforcement efforts and
22 assigns priorities in enforcement.

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