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COMMERCE, REGULATION & LABOR

HOUSE FILE 2252

BY PETERSEN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved \_\_\_\_\_

**A BILL FOR**

1 An Act requiring an insurer offering group health insurance to  
 2 provide benefit coverage for special dietary use foods for  
 3 home use.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2252

1 Section 1. NEW SECTION. 514C.21 SPECIAL DIETARY USE  
2 FOODS -- COVERAGE.

3 1. DEFINITIONS. As used in this section, unless the  
4 context otherwise requires:

5 a. "Designated medical condition" means any of the  
6 following:

7 (1) A medical condition for which specific dietary  
8 components or the restriction of specific dietary components  
9 is necessary to treat a physical, physiological, or  
10 pathological condition resulting in inadequate nutrition,  
11 including but not limited to conditions of disease,  
12 convalescence, pregnancy, lactation, allergic hypersensitivity  
13 to food, prematurity, underweight, and overweight.

14 (2) An inherited metabolic disorder, including but not  
15 limited to disorders of carbohydrate, lipid, vitamin, mineral,  
16 amino acid, and nitrogen metabolism.

17 (3) A physical, physiological, or pathological impairment  
18 of oral intake affecting growth.

19 b. "Special dietary use foods" means foods, including but  
20 not limited to pasteurized donor breast milk, used to supply  
21 particular dietary needs that exist because a person has a  
22 designated medical condition. The commissioner, by rule,  
23 shall further define special dietary use foods.

24 2. Notwithstanding the uniformity of treatment  
25 requirements of section 514C.6, a group policy or contract  
26 providing for third-party payment or prepayment of health or  
27 medical expenses shall not exclude or restrict benefits for  
28 the costs of and the costs associated with special dietary use  
29 foods for home use for which a practitioner licensed by law to  
30 prescribe and administer prescription drugs has issued a  
31 written order, if such policy or contract provides benefits  
32 for other outpatient prescription drugs or devices. Such  
33 written order shall state that the special dietary use foods  
34 ordered are medically necessary for the therapeutic treatment  
35 of a designated medical condition and that the insured or

1 enrollee has such a designated medical condition.

2 3. Coverage benefits for the cost of and the costs  
3 associated with special dietary use foods shall include all  
4 aspects of the administration of such foods, including but not  
5 limited to administration tubing, administration bags, pumps,  
6 and patient management by licensed health care professionals  
7 as necessary to administer or monitor the safe administration  
8 of the special dietary use foods.

9 4. a. This section applies to the following classes of  
10 third-party provider policies or contracts delivered, issued  
11 for delivery, continued, or renewed in this state on or after  
12 July 1, 2004:

13 (1) An individual or group accident and sickness insurance  
14 policy or contract providing coverage on an expense-incurred  
15 basis.

16 (2) An individual or group hospital or medical service  
17 policy or contract issued pursuant to chapter 509, 514, or  
18 514A.

19 (3) An individual or group health maintenance organization  
20 policy or contract regulated under chapter 514B.

21 (4) Any other entity engaged in the business of insurance,  
22 risk transfer, or risk retention, which is subject to the  
23 jurisdiction of the commissioner.

24 (5) A plan established pursuant to chapter 509A for public  
25 employees.

26 (6) An organized delivery system licensed by the director  
27 of public health.

28 b. This section shall not apply to accident only,  
29 specified disease, short-term hospital or medical, hospital  
30 confinement indemnity, credit, dental, vision, Medicare  
31 supplement, long-term care, basic hospital and medical-  
32 surgical expense coverage as defined by the commissioner,  
33 disability income insurance coverage, workers' compensation or  
34 similar insurance, or automobile medical payment insurance.

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EXPLANATION

1 This bill creates new Code section 514C.21 and provides  
2 that a group policy or contract providing for third-party  
3 payment of health or medical expenses that provides coverage  
4 benefits for other outpatient prescription drugs or devices  
5 shall not exclude or restrict benefits for the costs of and  
6 the costs associated with special dietary use foods for home  
7 use prescribed by a licensed practitioner as being medically  
8 necessary for the therapeutic treatment of an insured or  
9 enrollee who has a designated medical condition.

10 The bill defines "designated medical condition" as a  
11 medical condition for which the use or restriction of specific  
12 dietary components is necessary to treat a physical,  
13 physiological, or pathological condition resulting in adequate  
14 nutrition, including but not limited to conditions of disease,  
15 convalescence, pregnancy, lactation, allergic hypersensitivity  
16 to food, prematurity, underweight, and overweight; an  
17 inherited metabolic disorder, including but not limited to  
18 disorders of carbohydrate, lipid, vitamin, mineral, amino  
19 acid, and nitrogen metabolism; and a physical, physiological,  
20 or pathological impairment of oral intake affecting growth.

21 The bill defines "special dietary use foods" as foods,  
22 including but not limited to pasteurized donor breast milk,  
23 that are used to supply particular dietary needs that exist  
24 because a person has a designated medical condition. The bill  
25 also provides that the insurance commissioner, by rule, shall  
26 further define special dietary use foods.

27 The bill provides that coverage benefits must include the  
28 cost of special dietary use foods and the costs associated  
29 with all aspects of the administration of such foods including  
30 but not limited to administration tubing, administration bags,  
31 pumps, and patient management by licensed health care  
32 professionals as necessary to administer or monitor the safe  
33 administration of the special dietary use foods.

34 The bill provides that the new Code section applies to  
35 third-party payor policies or contracts delivered, issued for

1 delivery, continued, or renewed in this state on or after July  
2 1, 2004, by an individual or group accident and sickness  
3 insurance policy or contract; an individual or group hospital  
4 or medical service policy or contract issued pursuant to Code  
5 chapter 509, 514, or 514A; an individual or group health  
6 maintenance organization policy or contract regulated under  
7 Code chapter 514B; any other entity engaged in the business of  
8 insurance, risk transfer, or risk retention that is subject to  
9 the jurisdiction of the insurance commissioner; a plan  
10 established pursuant to Code chapter 509A for public  
11 employees; and an organized delivery system licensed by the  
12 director of public health.

13 The new Code section does not apply to accident only,  
14 specified disease, short-term hospital or medical, hospital  
15 confinement indemnity, credit, dental, vision, Medicare  
16 supplement, long-term care, basic hospital and medical-  
17 surgical expense coverage as defined by the commissioner,  
18 disability income insurance coverage, workers' compensation or  
19 similar insurance, or automobile medical payment insurance.

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