

House File 50 - Introduced

HOUSE FILE 50

BY HEIN

A BILL FOR

1 An Act relating to third-party payment of insurance benefits
2 for medically necessary food, and vitamins and individual
3 amino acids, for certain covered conditions, and including
4 applicability provisions.

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

1 Section 1. NEW SECTION. 514C.36 **Medically necessary food,**
2 **vitamins, and individual amino acids.**

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

5 a. "*Cost-sharing*" means any coverage limit, copayment,
6 coinsurance, deductible, or other out-of-pocket expense
7 obligation imposed on a covered person by a policy, contract,
8 or plan providing for third-party payment or prepayment of
9 health or medical expenses.

10 b. "*Covered condition*" means all of the following:

11 (1) Inherited metabolic disorders including all of the
12 following:

13 (a) A disorder classified as a metabolic disorder on
14 the most recent United States secretary of health and human
15 services recommended uniform screening panel core and secondary
16 conditions list, as recommended by the United States health
17 resources and services administration advisory committee on
18 heritable disorders in newborns and children.

19 (b) N-acetyl glutamate synthase deficiency.

20 (c) Ornithine transcarbamylase deficiency.

21 (d) Carbamoyl phosphate synthetase deficiency.

22 (e) Inherited disorders of mitochondrial functioning.

23 (2) Medical and surgical conditions of malabsorption,
24 including all of the following:

25 (a) Impaired absorption of nutrients caused by disorders
26 affecting the absorptive surface, functional length, and
27 motility of the gastrointestinal tract, including short bowel
28 syndrome and chronic intestinal pseudo-obstruction.

29 (b) Malabsorption due to liver or pancreatic disease.

30 (3) Immunoglobulin E and non-immunoglobulin E-mediated
31 allergies to food proteins including all of the following:

32 (a) Food protein-induced enterocolitis syndrome.

33 (b) Eosinophilic disorders, including eosinophilic
34 esophagitis, eosinophilic gastroenteritis, eosinophilic
35 colitis, and post-transplant eosinophilic disorders.

1 (4) Inflammatory or immune mediated conditions of the
2 alimentary tract, including all of the following:

3 (a) Inflammatory bowel disease, including Crohn's disease,
4 ulcerative colitis, and indeterminate colitis.

5 (b) Gastroesophageal reflux disease that is nonresponsive
6 to standard medical therapies.

7 c. "Covered person" means a policyholder, subscriber, or
8 other person participating in a policy, contract, or plan that
9 provides for third-party payment or prepayment of health or
10 medical expenses.

11 d. "Durable medical equipment" means the same as defined in
12 42 U.S.C. §1395x(n).

13 e. "Health care professional" means the same as defined in
14 section 514J.102.

15 f. "Health carrier" means the same as defined in section
16 514J.102.

17 g. "Low protein modified food product" means a type of food
18 that is modified to be low in protein and formulated for oral
19 consumption for individuals with inborn errors of protein
20 metabolism. "Low protein modified food product" shall not
21 include foods that are naturally low in protein.

22 h. "Medically necessary food" means food, including a low
23 protein modified food product, an amino acid preparation
24 product, a modified fat preparation product, a prescription
25 nutritional formula, or an over-the-counter nutritional formula
26 that meets all of the following requirements:

27 (1) Is furnished pursuant to a prescription, order, or
28 recommendation of a covered person's health care professional
29 for the dietary management of a covered condition.

30 (2) Is a specially formulated and processed product for the
31 partial or exclusive feeding of an individual by means of oral
32 intake or enteral feeding by tube.

33 (3) Is intended for the dietary management of an individual
34 who because of therapeutic or chronic medical needs has limited
35 or impaired capacity to ingest, digest, absorb, or metabolize

1 ordinary foodstuffs or certain nutrients, or who has other
2 special medically determined nutrient requirements, the dietary
3 management of which cannot be achieved solely by modification
4 of a normal diet.

5 (4) Is intended to be used under medical supervision,
6 including in a home setting.

7 (5) Is intended only for an individual receiving active
8 and ongoing medical supervision where the individual requires
9 medical care and instruction on the use of the food on a
10 recurring basis.

11 (6) Is not a food that is taken as part of an overall diet
12 designed to reduce the risk of a disease, the risk of a medical
13 condition, or as a weight loss product, even if the food is
14 recommended by a health care professional.

15 (7) Is not a food marketed as gluten-free for the management
16 of celiac disease or non-celiac gluten sensitivity.

17 (8) Is not a food marketed for the management of diabetes.

18 *i. "Medically necessary vitamins and individual amino acids"*
19 means vitamins and amino acids that are used for the management
20 of a covered condition pursuant to a prescription, order, or
21 recommendation of a covered person's health care professional.

22 2. *a.* Notwithstanding the uniformity of treatment
23 requirements of section 514C.6, a policy, contract, or plan
24 providing for third-party payment or prepayment of health
25 or medical expenses shall provide coverage for all of the
26 following:

27 (1) Medically necessary food and the medical equipment and
28 supplies, not to include durable medical equipment, necessary
29 to administer the food.

30 (2) Medically necessary vitamins and individual amino
31 acids.

32 *b.* Coverage shall be a minimum of eighty percent of the
33 cost to a covered person for medically necessary food and the
34 medical equipment and supplies necessary to administer the
35 food, and medically necessary vitamins and individual amino

1 acids.

2 *c.* Coverage shall not be subject to cost-sharing that is
3 greater than the cost-sharing that the policy, contract, or
4 plan requires for other health or medical expenses covered
5 under the policy, contract, or plan.

6 *d.* Prior authorization shall not be required for coverage.

7 3. *a.* This section shall apply to the following classes
8 of third-party payment provider contracts, policies, or plans
9 delivered, issued for delivery, continued, or renewed in this
10 state:

11 (1) Individual or group accident and sickness insurance
12 providing coverage on an expense-incurred basis.

13 (2) An individual or group hospital or medical service
14 contract issued pursuant to chapter 509, 514, or 514A.

15 (3) An individual or group health maintenance organization
16 contract regulated under chapter 514B.

17 (4) A plan established for public employees pursuant to
18 chapter 509A.

19 *b.* This section shall not apply to accident-only,
20 specified disease, short-term hospital or medical, hospital
21 confinement indemnity, credit, dental, vision, Medicare
22 supplement, long-term care, basic hospital and medical-surgical
23 expense coverage as defined by the commissioner, disability
24 income insurance coverage, coverage issued as a supplement
25 to liability insurance, workers' compensation or similar
26 insurance, or automobile medical payment insurance.

27 4. The commissioner of insurance shall adopt rules pursuant
28 to chapter 17A as necessary to administer this section.

29 Sec. 2. APPLICABILITY. This Act applies to third-party
30 payment provider contracts, policies, or plans delivered,
31 issued for delivery, continued, or renewed in this state on or
32 after January 1, 2022.

33

EXPLANATION

34 The inclusion of this explanation does not constitute agreement with
35 the explanation's substance by the members of the general assembly.

1 This bill relates to third-party payment of insurance
2 benefits for medically necessary food, and vitamins and
3 individual amino acids, for certain covered conditions.

4 The bill defines "covered condition" as inherited metabolic
5 disorders; medical and surgical conditions of malabsorption;
6 immunoglobulin E and non-immunoglobulin E-mediated allergies to
7 food proteins; and inflammatory or immune mediated conditions
8 of the alimentary tract. The definition also includes, as
9 detailed in the bill, specific conditions under each of the
10 different categories of conditions. The bill also defines
11 "medically necessary food" and "medically necessary vitamins
12 and individual amino acids".

13 The bill requires a health carrier that offers individual,
14 group, or small group contracts, policies, or plans in this
15 state that provide for third-party payment or prepayment of
16 health or medical expenses to offer coverage for medically
17 necessary food and the medical equipment and supplies, not to
18 include durable medical equipment, necessary to administer
19 the food; and for medically necessary vitamins and individual
20 amino acids. The bill requires that the coverage be a minimum
21 of 80 percent of the cost to a covered person for medically
22 necessary food and the medical equipment and supplies necessary
23 to administer the food, and medically necessary vitamins and
24 individual amino acids. The bill prohibits the coverage
25 from being subject to cost-sharing that is greater than the
26 cost-sharing that the policy, contract, or plan requires for
27 other health or medical expenses covered under the policy,
28 contract, or plan. Prior authorization cannot be a requirement
29 for coverage.

30 The commissioner of insurance must adopt rules to administer
31 the requirements of the bill.

32 The bill applies to third-party payment provider contracts,
33 policies, or plans delivered, issued for delivery, continued,
34 or renewed in this state on or after January 1, 2022, by the
35 third-party payment providers enumerated in the bill. The bill

1 specifies the types of specialized health-related insurance
2 that are not subject to the bill.