

FEB 2 2005

COMMERCE, REGULATION & LABOR

HOUSE FILE 176

BY PETERSEN, KRESSIG, and
MADDOX

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring every insurer offering certain individual or
2 group health insurance policies to provide coverage for
3 certain enteral formulas.

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

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HF 176

1 Section 1. NEW SECTION. 514C.22 ENTERAL FORMULAS --
2 COVERAGE.

3 1. Notwithstanding the uniformity of treatment
4 requirements of section 514C.6, a policy or contract providing
5 for third-party payment or prepayment of health or medical
6 expenses shall not exclude or restrict benefits for enteral
7 formulas for home use for which a practitioner licensed by law
8 to prescribe and administer prescription drugs has issued a
9 written order, if such policy or contract provides benefits
10 for other outpatient prescription drugs or devices. Such
11 written order must state that the enteral formula is medically
12 necessary for the patient.

13 2. For purposes of this section, "enteral formula" means
14 enteral formulas which have been proven effective for the
15 treatment of specific diseases including, but not limited to,
16 inherited diseases of amino acid or organic acid metabolism;
17 Crohn's disease; gastroesophageal reflux with failure to
18 thrive; disorders of gastrointestinal motility such as chronic
19 intestinal pseudo-obstruction; and multiple, severe food
20 allergies, which if left untreated will cause malnourishment,
21 chronic physical disability, mental retardation, or death.
22 "Enteral formula" includes low-protein medical food and
23 metabolic formula prescribed for persons diagnosed with
24 phenylketonuria or other metabolic disorders. The
25 commissioner, by rule, shall further define enteral formula.

26 3. a. This section applies to the following classes of
27 third-party payment provider contracts or policies delivered,
28 issued for delivery, continued, or renewed in this state on or
29 after July 1, 2005:

- 30 (1) Individual or group accident and sickness insurance
31 providing coverage on an expense-incurred basis.
- 32 (2) Any individual or group hospital or medical service
33 contract issued pursuant to chapter 509, 514, or 514A.
- 34 (3) Any individual or group health maintenance
35 organization contract regulated under chapter 514B.

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

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

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

8 b. This section shall not apply to accident only,
9 specified disease, short-term hospital or medical, hospital
10 confinement indemnity, credit, dental, vision, Medicare
11 supplement, long-term care, basis hospital and medical-
12 surgical expense coverage as defined by the commissioner,
13 disability income insurance coverage, coverage issued as a
14 supplement to liability insurance, workers' compensation or
15 similar insurance, or automobile medical payment insurance.

16 EXPLANATION

17 This bill creates new Code section 514C.22 and provides
18 that a policy or contract providing for third-party payment or
19 prepayment of health or medical expenses which provides
20 coverage benefits for other outpatient prescription drugs or
21 devices shall not exclude or restrict coverage benefits for
22 enteral formulas for home use prescribed by a practitioner as
23 being medically necessary and proven effective as a disease-
24 specific treatment regimen for individuals who are or will
25 become malnourished or suffer from disorders, which, if left
26 untreated, will cause chronic physical disability, mental
27 retardation, or death.

28 The bill defines "enteral formula" as formulas which have
29 been proven effective for the treatment of specific diseases
30 including, but not limited to, inherited diseases of amino
31 acid or organic acid metabolism; Crohn's disease;
32 gastroesophageal reflux with failure to thrive; disorders of
33 gastrointestinal motility such as chronic intestinal pseudo-
34 obstruction; and multiple, severe food allergies which if left
35 untreated will cause malnourishment, chronic physical

1 disability, mental retardation, or death. "Enteral formula"
2 is defined to include low-protein medical food and metabolic
3 formula prescribed for persons diagnosed with phenylketonuria
4 or other metabolic disorders. The bill provides that the
5 commissioner, by rule, shall further define enteral formulas.

6 The bill provides that the new Code section applies to
7 third-party payment provider contracts, or policies delivered,
8 issued for delivery, continued, or renewed in this state on or
9 after July 1, 2005.

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