

MAR 15 2005
Place On Calendar

HOUSE FILE 765
BY COMMITTEE ON COMMERCE,
REGULATION AND LABOR

(SUCCESSOR TO HF 176)

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 765

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

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

14 2. For purposes of this section, "enteral formula" means
15 enteral formulas which have been proven effective for the
16 treatment of inborn errors of metabolism with a dietary
17 restriction, which if left untreated will cause
18 malnourishment, chronic physical disability, mental
19 retardation, or death. "Enteral formula" includes low-protein
20 medical food and metabolic formula prescribed for persons
21 diagnosed with inborn errors of metabolism with a dietary
22 restriction. The commissioner, by rule, shall further define
23 enteral formula.

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

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

30 (2) Any individual or group hospital or medical service
31 contract issued pursuant to chapter 509, 514, or 514A.

32 (3) Any individual or group health maintenance
33 organization contract regulated under chapter 514B.

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

1 (5) An organized delivery system licensed by the director
2 of public health.

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

11 4. An individual or group policy, contract, or plan
12 subject to the requirements of this section shall not impose
13 an annual deductible on enteral formula coverage benefits that
14 is greater than two thousand five hundred dollars per year for
15 each family covered and shall not impose an aggregate annual
16 limit for enteral formula coverage benefits that is less than
17 twelve thousand five hundred dollars per year for each family
18 covered.

19 5. An individual or group policy, contract, or plan
20 subject to the requirements of this section shall provide, at
21 a minimum, enteral formula coverage benefits to each male
22 insured until that individual reaches the age of twenty-one
23 years old or until that individual ceases to be enrolled as a
24 full-time student, as defined in section 261.102, whichever
25 occurs later, and shall provide, at a minimum, enteral formula
26 coverage benefits to each female insured until that individual
27 reaches the age of forty-five years old.

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EXPLANATION

29 This bill creates new Code section 514C.22 and provides
30 that a policy or contract providing for third-party payment or
31 prepayment of health or medical expenses which provides
32 coverage benefits for other outpatient prescription drugs or
33 devices shall not exclude or restrict coverage benefits for
34 enteral formulas for home use prescribed by a practitioner as
35 being medically necessary and proven effective as a disease-

1 specific treatment regimen for individuals who are or will
2 become malnourished or suffer from disorders, which, if left
3 untreated, will cause chronic physical disability, mental
4 retardation, or death.

5 The bill defines "enteral formula" as formulas which have
6 been proven effective for the treatment of inborn errors of
7 metabolism with a dietary restriction which if left untreated
8 will cause malnourishment, chronic physical disability, mental
9 retardation, or death. "Enteral formula" is defined to
10 include low-protein medical food and metabolic formula
11 prescribed for persons diagnosed with inborn errors of
12 metabolism with a dietary restriction. The bill provides that
13 the commissioner, by rule, shall further define enteral
14 formulas.

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

19 The bill provides that an individual or group policy,
20 contract, or plan subject to the requirements of the bill
21 shall not impose an annual deductible on enteral formula
22 coverage benefits that exceed \$2,500 per year for each family
23 covered and shall not impose an aggregate annual limit for
24 such benefits that is less than \$12,500 per year for each
25 family covered.

26 The bill also provides that enteral formula coverage
27 benefits must be provided, at a minimum, to each male insured
28 until that individual reaches 21 years of age or ceases to be
29 enrolled as a full-time student, whichever occurs later, and
30 to each female insured until that individual reaches the age
31 of 45.

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HOUSE FILE 765

H-1183

- 1 Amend House File 765 as follows:
2 1. Page 2, by striking lines 12 through 18 and
3 inserting the following: "subject to the requirements
4 of this section shall at a minimum provide an
5 aggregate annual limit for enteral formula coverage
6 benefits of not less than ten thousand dollars per
7 year for each family covered, not including
8 deductibles, coinsurance, or copayments. The policy,
9 contract, or plan may include deductibles,
10 coinsurance, or copayments, provided that the amounts
11 and extent of such deductibles, coinsurance, or
12 copayments are the same as those applicable to other
13 health, medical, or surgical services coverage under
14 the policy, contract, or plan."
15 2. Page 2, by striking lines 19 through 27.

By PETERSEN of Polk

H-1183 FILED MARCH 24, 2005

HOUSE FILE 765

H-1263

- 1 Amend House File 765 as follows:
2 1. Page 1, lines 19 and 20 by striking the words
3 "low-protein medical food and".
4 2. Page 2, by striking lines 11 through 18.
5 3. Page 2, by striking lines 26 and 27 and
6 inserting the following: "coverage benefits to each
7 female insured who is pregnant."
8 4. By renumbering as necessary.

By WATTS of Dallas

H-1263 FILED MARCH 31, 2005
