



Senate

General Assembly

File No. 26

January Session, 2007

Senate Bill No. 66

Senate, March 13, 2007

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT EXPANDING INSURANCE COVERAGE FOR SPECIALIZED FORMULAS FOR CHILDREN.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-492c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2007*):

3 (a) For purposes of this section:

4 (1) "Inherited metabolic disease" includes (A) a disease for which
5 newborn screening is required under section 19a-55; and (B) cystic
6 fibrosis.

7 (2) "Low protein modified food product" means a product
8 formulated to have less than one gram of protein per serving and
9 intended for the dietary treatment of an inherited metabolic disease
10 under the direction of a physician.

11 (3) "Amino acid modified preparation" means a product intended
12 for the dietary treatment of an inherited metabolic disease under the

13 direction of a physician.

14 (4) "Specialized formula" means a nutritional formula for children
15 up to age [eight] twelve that is exempt from the general requirements
16 for nutritional labeling under the statutory and regulatory guidelines
17 of the federal Food and Drug Administration and is intended for use
18 solely under medical supervision in the dietary management of
19 specific diseases.

20 (b) Each individual health insurance policy providing coverage of
21 the type specified in subdivisions (1), (2), (4), (6), (11) and (12) of
22 section 38a-469 delivered, issued for delivery or renewed in this state
23 on or after October 1, 1997, shall provide coverage for amino acid
24 modified preparations and low protein modified food products for the
25 treatment of inherited metabolic diseases if the amino acid modified
26 preparations or low protein modified food products are prescribed for
27 the therapeutic treatment of inherited metabolic diseases and are
28 administered under the direction of a physician.

29 (c) Each individual health insurance policy providing coverage of
30 the type specified in subdivisions (1), (2), (4), (6), (11) and (12) of
31 section 38a-469 delivered, issued for delivery or renewed in this state
32 on or after October 1, [2001] 2007, shall provide coverage for
33 specialized formulas when such specialized formulas are medically
34 necessary for the treatment of a disease or condition and are
35 administered under the direction of a physician.

36 (d) Such policy shall provide coverage for such preparations, food
37 products and formulas on the same basis as outpatient prescription
38 drugs.

39 Sec. 2. Section 38a-518c of the general statutes is repealed and the
40 following is substituted in lieu thereof (*Effective October 1, 2007*):

41 (a) For purposes of this section:

42 (1) "Inherited metabolic disease" includes (A) a disease for which
43 newborn screening is required under section 19a-55; and (B) cystic

44 fibrosis.

45 (2) "Low protein modified food product" means a product
46 formulated to have less than one gram of protein per serving and
47 intended for the dietary treatment of an inherited metabolic disease
48 under the direction of a physician.

49 (3) "Amino acid modified preparation" means a product intended
50 for the dietary treatment of an inherited metabolic disease under the
51 direction of a physician.

52 (4) "Specialized formula" means a nutritional formula for children
53 up to age [eight] twelve that is exempt from the general requirements
54 for nutritional labeling under the statutory and regulatory guidelines
55 of the federal Food and Drug Administration and is intended for use
56 solely under medical supervision in the dietary management of
57 specific diseases.

58 (b) Each group health insurance policy providing coverage of the
59 type specified in subdivisions (1), (2), (4), (6), (11) and (12) of section
60 38a-469 delivered, issued for delivery or renewed in this state on or
61 after October 1, 1997, shall provide coverage for amino acid modified
62 preparations and low protein modified food products for the treatment
63 of inherited metabolic diseases if the amino acid modified preparations
64 or low protein modified food products are prescribed for the
65 therapeutic treatment of inherited metabolic diseases and are
66 administered under the direction of a physician.

67 (c) Each group health insurance policy providing coverage of the
68 type specified in subdivisions (1), (2), (4), (6), (11) and (12) of section
69 38a-469 delivered, issued for delivery or renewed in this state on or
70 after October 1, [2001] 2007, shall provide coverage for specialized
71 formulas when such specialized formulas are medically necessary for
72 the treatment of a disease or condition and are administered under the
73 direction of a physician.

74 (d) Such policy shall provide coverage for such preparations, food

75 products and formulas on the same basis as outpatient prescription
76 drugs.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	38a-492c
Sec. 2	<i>October 1, 2007</i>	38a-518c

INS *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
State Comptroller - Fringe Benefits	All Funds - Cost	None	Indeterminate

Municipal Impact:

Municipalities	Effect	FY 08 \$	FY 09 \$
All Municipalities	Cost	Potential	Potential

Explanation

The expansion of insurance coverage for specialized formula for children ages 9 to 12 mandated in the bill, is not provided under the current state employees plans. This change is anticipated to impact the state employee plans in FY 09. Information regarding the effect on the state's premiums has not been obtained by the State Comptroller's from the state's insurance carriers at this time.

The bill's impact on municipal health insurance cost will vary by municipality depending on the current coverage and cannot be determined at this time. The bill would not apply to municipalities that have self-insured benefit plans, which are regulated under the federal Employee Retirement Income Security Act (ERISA).

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**SB 66*****AN ACT EXPANDING INSURANCE COVERAGE FOR
SPECIALIZED FORMULAS FOR CHILDREN.*****SUMMARY:**

This bill requires group and individual health insurance policies to cover specialized formulas for children up to age 12 instead of up to age eight.

The bill applies to insurance and HMO policies delivered, issued for delivery, or renewed in the state on or after October 1, 2007 that cover (1) basic hospital expenses, (2) basic medical-surgical expenses, (3) major medical expenses, (4) accidents only, and (5) hospital or medical services. It does not apply to a self-insured benefit plan, which is regulated under the federal Employee Retirement Income Security Act (ERISA).

EFFECTIVE DATE: October 1, 2007

BACKGROUND***Specialized Formulas***

“Specialized formula” means a nutritional formula that is exempt from the general requirements for nutritional labeling under the federal Food and Drug Administration’s guidelines and is intended for use solely under medical supervision in the dietary management of specific diseases (CGS § 38a-492c(a)(4)).

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 12 Nay 5 (02/27/2007)