



House of Representatives

File No. 762

General Assembly

February Session, 2008

(Reprint of File No. 113)

House Bill No. 5514

As Amended by House Amendment Schedule
"A"

Approved by the Legislative Commissioner
May 1, 2008

**AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR
INDIVIDUALS WITH EPIDERMOLYSIS BULLOSA AND FOR OSTOMY
SUPPLIES.**

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

1 Section 1. (NEW) (*Effective January 1, 2009*) Each insurer, health care
2 center, hospital and medical service corporation or other entity
3 delivering, issuing for delivery, renewing, amending or continuing any
4 individual health insurance policy providing coverage of the type
5 specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of
6 the general statutes in this state on or after January 1, 2009, shall (1)
7 upon notification from an insured or an insured's physician that such
8 insured has been diagnosed with epidermolysis bullosa, designate a
9 case manager to work with such insured and insured's physician to
10 identify wound-care needs, and (2) provide coverage for medically
11 necessary treatment and supplies.

12 Sec. 2. (NEW) (*Effective January 1, 2009*) Each insurer, health care
13 center, hospital and medical service corporation or other entity
14 delivering, issuing for delivery, renewing, amending or continuing any

15 group health insurance policy providing coverage of the type specified
16 in subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the
17 general statutes in this state on or after January 1, 2009, shall (1) upon
18 notification from an insured or an insured's physician that such
19 insured has been diagnosed with epidermolysis bullosa, designate a
20 case manager to work with such insured and insured's physician to
21 identify wound-care needs, and (2) provide coverage for medically
22 necessary treatment and supplies.

23 Sec. 3. Section 38a-492j of the general statutes is repealed and the
24 following is substituted in lieu thereof (*Effective January 1, 2009*):

25 Each individual health insurance policy providing coverage of the
26 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-
27 469 delivered, issued for delivery, renewed or continued in this state
28 on or after October 1, 2000, that provides coverage for ostomy surgery
29 shall include coverage, up to [one] five thousand dollars annually, for
30 medically necessary appliances and supplies relating to an ostomy
31 including, but not limited to, collection devices, irrigation equipment
32 and supplies, skin barriers and skin protectors. As used in this section,
33 "ostomy" includes colostomy, ileostomy and urostomy. Payments
34 under this section shall not be applied to any policy maximums for
35 durable medical equipment. Nothing in this section shall be deemed to
36 decrease policy benefits in excess of the limits in this section.

37 Sec. 4. Section 38a-518j of the general statutes is repealed and the
38 following is substituted in lieu thereof (*Effective January 1, 2009*):

39 Each group health insurance policy providing coverage of the type
40 specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469
41 delivered, issued for delivery, renewed or continued in this state on or
42 after October 1, 2000, that provides coverage for ostomy surgery shall
43 include coverage, up to [one] five thousand dollars annually, for
44 medically necessary appliances and supplies relating to an ostomy
45 including, but not limited to, collection devices, irrigation equipment
46 and supplies, skin barriers and skin protectors. As used in this section,

47 "ostomy" includes colostomy, ileostomy and urostomy. Payments
48 under this section shall not be applied to any policy maximums for
49 durable medical equipment. Nothing in this section shall be deemed to
50 decrease policy benefits in excess of the limits in this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2009</i>	New section
Sec. 2	<i>January 1, 2009</i>	New section
Sec. 3	<i>January 1, 2009</i>	38a-492j
Sec. 4	<i>January 1, 2009</i>	38a-518j

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 09 \$	FY 10 \$
State Comptroller - Fringe Benefits	GF - None	None	None

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 09 \$	FY 10 \$
Various Municipalities	Cost	Indeterminate	Indeterminate

Explanation

The bill mandates certain coverage for insured individuals diagnosed with epidermolysis bullosa. The bill also increases the annual limit related to mandated ostomy supply coverage from \$1,000 to \$5,000.

It is anticipated that these provisions may increase costs to certain fully insured municipal plans that currently do not provide the coverage mandated by the bill. The bill is not anticipated to impact costs to the state health plans since the state plans currently provide this coverage.

House Amendment "A" strikes the underlying bill which established a loan program for the purchase of prostheses and has the fiscal impact described above.

OLR Bill Analysis**HB 5514 (as amended by House "A")******AN ACT ESTABLISHING A LOAN PROGRAM FOR THE PURCHASE OF PROSTHESES.*****SUMMARY:**

This bill requires insurers, HMOs, and other entities to (1) designate, upon receiving notice from an insured person or his or her physician that the person has been diagnosed with epidermolysis bullosa, a case manager to work with him or her and the physician to identify the person's wound-care needs and (2) cover medically necessary treatment and supplies. It applies the requirement to entities that deliver, issue, renew, amend, or continue individual or group health insurance policies in Connecticut on or after January 1, 2009 that offer the following types of coverage: (1) basic hospital expense, (2) basic medical-surgical expense, (3) major medical expense, and (4) hospital or medical expense.

The bill increases, to \$5,000 from \$1,000, the annual coverage requirement under certain insurance policies for ostomy appliances and supplies, including collection devices, irrigation equipment and supplies, and skin barriers and protectors. By law, policies that cover ostomy, colostomy, ileostomy, or urostomy surgery must include the benefit.

Due to federal law, state insurance benefit mandates do not apply to self-insured benefit plans.

*House Amendment "A" replaces a loan program for purchasing prosthetics with requirements that (1) insurers and HMOs designate a case manager to work with an insured diagnosed with epidermolysis bullosa and his or her physician to identify the insured's wound-care

needs, (2) certain insurance policies cover treatment and supplies for epidermolysis bullosa, and (3) raise the annual coverage for ostomy appliances and supplies to \$5,000 from \$1,000. It changes the bill's effective date from July 1, 2008 to January 1, 2009.

EFFECTIVE DATE: January 1, 2009

BACKGROUND

Epidermolysis Bullosa

Epidermolysis bullosa is a group of skin conditions where blistering can occur in response to minor injury, heat, or friction, according to MayoClinic.com. There are three main types of epidermolysis bullosa and numerous subtypes.

Most types of epidermolysis bullosa are inherited and initially affect infants and young children, although some people with mild forms of the condition do not develop signs and symptoms until adolescence or early adulthood. Mild forms of epidermolysis bullosa may improve with age, but severe forms may cause serious complications and can be fatal.

There is no cure for epidermolysis bullosa. Treatment depends on the severity, but often is aimed at preventing pain, infection, and other complications.

Insurance Coverage for Ostomy Appliances and Supplies

The law prohibits insurers from applying any payments for ostomy appliances and supplies toward any durable medical equipment benefit maximum. It also specifies that such payments cannot be used to decrease policy benefits that exceed the required coverage amount.

The law applies to individual and group hospital and medical service plans offered by HMOs and health insurance policies that offer the following types of coverage: (1) basic hospital expense, (2) basic medical-surgical expense, (3) major medical expense, and (4) hospital or medical expense.

An ostomy is a surgically formed artificial opening in the bowel or intestine. A colostomy is an artificial opening in the colon, an ileostomy an artificial opening in the small intestine or ileum, and an urostomy an artificial opening in the tubes that run from the kidney to the bladder.

Medically Necessary

PA 07-75 requires insurers, HMOs, and other entities to include a particular definition of “medically necessary” or “medical necessity” in individual and group health insurance policies and contracts. For insurers and HMOs that have entered into a federal court-approved class action settlement with physicians, the requirement does not apply until the settlement’s expiration date. The definition is:

“Medically necessary” or “medical necessity” means health care services that a physician, exercising prudent clinical judgment, would provide to a patient for the purpose of preventing, evaluating, diagnosing, or treating an illness, injury, disease, or its symptoms, and that are (1) in accordance with generally accepted standards of medical practice; (2) clinically appropriate, in terms of type, frequency, extent, site, and duration and considered effective for the patient’s illness, injury, or disease; and (3) not primarily for the convenience of the patient, physician, or other health care provider and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient’s illness, injury, or disease. “Generally accepted standards of medical practice” means standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community or otherwise consistent with the standards set forth in policy issues involving clinical judgment.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 18 Nay 0 (03/06/2008)