



House of Representatives

General Assembly

File No. 34

January Session, 2009

Substitute House Bill No. 5021

House of Representatives, March 9, 2009

The Committee on Insurance and Real Estate reported through REP. FONTANA, S. of the 87th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT EXPANDING HEALTH INSURANCE COVERAGE FOR OSTOMY SUPPLIES.

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

1 Section 1. Section 38a-492j of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2010*):

3 Each individual health insurance policy providing coverage of the
4 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-
5 469 delivered, issued for delivery, renewed, amended or continued in
6 this state [on or after October 1, 2000,] that provides coverage for
7 ostomy surgery shall include coverage, up to [one] five thousand
8 dollars annually, for medically necessary appliances and supplies
9 relating to an ostomy including, but not limited to, collection devices,
10 irrigation equipment and supplies, skin barriers and skin protectors.
11 As used in this section, "ostomy" includes colostomy, ileostomy and
12 urostomy. Payments under this section shall not be applied to any
13 policy maximums for durable medical equipment. Nothing in this

14 section shall be deemed to decrease policy benefits in excess of the
15 limits in this section.

16 Sec. 2. Section 38a-518j of the general statutes is repealed and the
17 following is substituted in lieu thereof (*Effective January 1, 2010*):

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

Statement of Legislative Commissioners:

In sections 1 and 2 "on or after October 1, 2000," was bracketed for statutory consistency.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2010</i>	38a-492j
Sec. 2	<i>January 1, 2010</i>	38a-518j

INS *Joint Favorable Subst.-LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$
Various Municipalities	STATE MANDATE - Cost	Potential	Potential

Explanation

The bill increases the annual limit related to mandated ostomy supply coverage from \$1,000 to \$5,000. The bill is not anticipated to impact costs to the state health plans since the state plans currently provide this coverage.

The bill may impact municipalities that have fully insured health plans and do not currently cover the ostomy supplies required by the bill. The coverage requirements effective January 1, 2010 may result in increased premium costs when municipalities enter into new contracts for health insurance. Due to federal law, municipalities with self-insured health plans are exempt from state health insurance benefit mandates.

The Out Years

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

Sources: Office of the State Comptroller, Municipal Employees Health Insurance Plan (MEHIP) Schedule of Benefits, State Employee Health Plan Subscriber Agreement.

OLR Bill Analysis**sHB 5021*****AN ACT EXPANDING HEALTH INSURANCE COVERAGE FOR OSTOMY SUPPLIES.*****SUMMARY:**

The bill increases, to \$5,000 from \$1,000, the annual coverage amount required in certain health insurance policies for medically necessary ostomy appliances and supplies, including collection devices, irrigation equipment and supplies, and skin barriers and protectors.

By law, the benefit requirement applies to individual and group health insurance policies delivered, issued, renewed, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; and (4) hospital or medical services, including coverage under an HMO plan. The bill makes the requirement also apply to policies including such coverage that are amended.

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

EFFECTIVE DATE: January 1, 2010

BACKGROUND***Ostomy and Related Surgeries***

By law, policies that cover ostomy, colostomy, ileostomy, or urostomy surgery must include the benefit. The law prohibits insurers from applying any payments for ostomy appliances and supplies toward any durable medical equipment benefit maximum. And such payments cannot be used to decrease policy benefits that exceed the required coverage amount.

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

Medically Necessary

The law defines “medically necessary” as health care services that a physician, exercising prudent clinical judgment, would provide to a patient to prevent, evaluate, diagnose, or treat 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;
3. not primarily for the convenience of the patient, physician, or other health care provider; and
4. and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results.

“Generally accepted standards of medical practice” means standards that are (1) based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community or (2) otherwise consistent with the standards set forth in policy issues involving clinical judgment.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 15 Nay 4 (02/19/2009)