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CONNECTICUT INSURANCE COVERAGE FOR SPECIALIZED FORMULA; NEW YORK'S "HANNAH'S LAW"

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You asked if Connecticut law requires health insurance policies to cover specialized formula used for treating eosinophilic disorder. You also asked for a description of New York's "Hannah's Law."

SUMMARY

Connecticut insurance law does not explicitly require health insurance policies to cover specialized formulas for treating eosinophilic disorder. However, the law requires specified health insurance policies to cover medically necessary specialized formula for children up to age 12 for treating a disease or condition when the formula is administered under a physician's direction. Thus, it appears that this would include coverage of specialized formulas for treating eosinophilic disorder.

Anyone denied such coverage may appeal to their insurance carrier (internal appeal) or the Insurance Department (external appeal). The explanation of benefits from the carrier describes the appeal process. Anyone with concerns or questions about his or her insurance coverage may contact the Insurance Department's Consumer Affairs Division at (800) 203-3447 or (860) 297-3900. More information about contacting the department is available at

<http://www.ct.gov/cid/cwp/view.asp?q=254352>.

A bill (“Hannah’s Law”) in the New York Assembly would require health insurance policies to cover the cost of enteral formulas for treating eosinophilic esophagitis and related eosinophilic disorders. The Senate passed the bill in May. The proposed effective date is January 1, 2013.

EOSINOPHILIC DISORDERS

Eosinophilic esophagitis (EE) is a chronic disorder of the digestive system in which large numbers of a particular type of white blood cell (called eosinophils) are present in the esophagus. The esophagus is the tube that carries food from the mouth to the stomach. The condition is characterized by vomiting, stomach or chest pain, failure to thrive (particularly in children), and difficulty swallowing.

Eosinophilic gastrointestinal disorders (EGID) are characterized by above normal amounts of eosinophils anywhere in the digestive system.

Some children who have EE or EGID are highly allergic to certain foods and susceptible to recurrent episodes of the disorders. The nutritional quality of the foods they are permitted to eat is too limited to meet the needs for normal growth. As such, they remain dependent on specialized formulas to meet their nutritional requirements.

CONNECTICUT

Connecticut law requires specified health insurance policies to cover specialized formula on the same basis as outpatient prescription drugs if the formula is (1) medically necessary to treat a disease or condition and (2) administered under a physician’s direction (CGS §§ [38a-492c\(c\)](#) and [38a-518c\(c\)](#)).

The law defines a “specialized formula” as a nutritional formula for children up to age 12 that is (1) exempt from the federal Food and Drug Administration’s general nutritional labeling requirements and (2) intended for use solely under medical supervision for the dietary management of specific diseases.

By law, “medically necessary services” are 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. clinically appropriate, in terms of type, frequency, extent, site, and duration and considered effective for the patient’s illness, injury, or disease;

2. not primarily for the convenience of the patient, physician, or other health care provider;
3. not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results; and
4. in accordance with generally accepted standards of medical practice.

“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 (CGS §§ 38a-482a and 38a-513c).

The specialized formula law applies to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; or (4) hospital or medical services, including coverage under an HMO plan.

It appears that if all of the conditions in the law are met (e.g., the policy is issued in Connecticut, the formula meets the statutory definition, the patient is a child up to age 12, the service is found to be medically necessary, the formula is administered under a physician’s direction), the policy would have to provide coverage for specialized formula for treating eosinophilic disorder.

NEW YORK

New York law currently requires health insurance policies that cover prescription drugs to also cover medically necessary enteral formulas prescribed by a physician or other licensed health care provider for the treatment of a disease (N.Y. Ins. Law §§ 3216(i)(21), 3221(k)(11), 4303(y), and 4322(b)(25)). The law specifies that diseases for which enteral formulas have been proven effective include inherited diseases of amino acid or organic acid metabolism; Crohn’s Disease; gastroesophageal reflux with failure to thrive; gastrointestinal motility disorders; and multiple, severe food allergies that left untreated will cause malnourishment, chronic physical disability, mental retardation, or death.

New York Senate Bill 5034 (“Hannah’s Law”) adds eosinophilic esophagitis and related eosinophilic disorders to the list of diseases for which enteral formulas have been proven effective. It also specifies that coverage is for medically necessary enteral formulas, whether administered orally or via tube feeding.

Senator Ball introduced Hannah’s Law in the Senate on May 2, 2011. The Senate passed the bill and referred it to the Assembly on May 23, 2012. It currently awaits action in the Assembly Committee on Insurance.

For more information about EE and EGID, see:

- National Organization for Rare Disorders, <http://www.rarediseases.org/rare-disease-information/rare-diseases/byID/1160/viewAbstract>) and
- American Partnership for Eosinophilic Disorders, http://apfed.org/drupal/drupal/what_are_egids and <http://apfed.org/drupal/drupal/Treatment%20of%20EGIDs>).

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