

Insurance and Real Estate Committee JOINT FAVORABLE REPORT

Bill No.: SB-376

AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR PROSTHETIC
Title: DEVICES.

Vote Date: 3/20/2018

Vote Action: Joint Favorable

PH Date: 3/8/2018

File No.: 335

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SPONSORS OF BILL:

Sen. George, Logan, 17th District
Sen. Martin Looney, 11th Distract
Sen. Ted Kennedy, 12th District
Rep. Susan Johnson, 49th District
Rep. James Albis, 99th

REASONS FOR BILL:

This bill will provide that amputees in Connecticut have sufficient coverage and reimbursement for their needed artificial limbs.

RESPONSE FROM ADMINISTRATION/AGENCY:

Sen. Martin Looney, 11th District testified that this bill would require insurance coverage for prosthetic devised and repair of these devise on a least the level that Medicare covers them. This would improve the quality of life for residents of our state whop require these devised.

Sen. George Logan, 17th District spoke in support of this bill. Arms and legs are not luxuries. The individuals that utilize prosthetics and their families that rely on them, now face a financial emergency in addition to the medical one. Parity laws have been passed in many other states, including other New England States. It is time Connecticut join that group. We should not allow insurance payers to treat custom prosthetic devised as off-the-shelf durable medical equipment.

Sen. Ted Kennedy, Jr. 12th District testified that Connecticut residents who have had an arm or leg amputated, or were born without a limb, should not be denied prosthetic coverage by private insurance companies.

Over 20 state legislatures across the nation have passed laws like this bill, which simply requires that fully-insured plans in Connecticut adopt prosthetic coverage and reimbursement policies at least equal to the coverage that Medicare currently provides for such devices. Medicare's coverage and payment to policy is reasonable, affordable, fraud-sensitive, and periodically peer-reviewed. This policy is easy for health plans to understand and implement because they already have networks of providers and already process these claims for their Medicare plan participants.

State of Connecticut Insurance Department opposes this bill because if enacted it would create a new mandate and consequently new costs for state of Connecticut under the federal Affordable Care Act for health plans sold on the Exchange.

Section 1311(d)(3)(B) of the ACA permits a state to require qualified health plans, which are sold through the Exchange, to offer benefits in addition to the essential health benefits already selected by Connecticut, but it requires the state to defray the cost of these additional benefits for Exchange plans and the State employee health plan.

The Department of Health and Human Services (HHS) issued a final rule on February 25, 2013 that recognizes only those mandated benefits that were enacted on or before December 31, 2011 to be considered part of the essential health benefits. The state would be required to make payment to defray the cost of any new benefits specific to care, treatment and services which are enacted this session

NATURE AND SOURCES OF SUPPORT:

CT Physical Therapy Association asked that the committee pass this bill as written. It should include coverage at the same level as that provided under Medicare with no imposition of a coinsurance, copayment or deductible that is more restrictive of any other covered benefits. It also needs to provide coverage of microprocessors where appropriately determined by the insured's healthcare provider.

Mariam Hakim Zargar, MD MPH, President , CT Orthopaedic Society feels that prosthetic devices are vital not only to a patient's physical health but also their mental health. These devices help an individual proceed with a functional lifestyle, often preventing some from further clinical complications which may result from a sedentary or immobile life.

Dr. Kimberly, Eisen, Physical Therapist, Gaylord Hospital expressed that a prosthetic device is not just a price of medical equipment; it is literally an extension of the patient. She noted, "Like Medicare, state insurance needs to cover the cost of the device over a person's lifetime, which includes adjustments."

Andrea Oberlander, Registered Physical Therapist, testified, "Unfortunately, prostheses and prosthetic components have been labeled as 'durable medical equipment' by insurance companies, a definition that vastly undermines the sophistication and medical necessity of these devices. Because of this, a large portion of the financial burden is unjustly shifted to the person to cover the cost of this life-maximizing prosthetic in order to resume essential daily activities. . . . It is important that these individuals have access to the appropriate prosthetic interventions with the full support of the insurance industry." She contended that such coverage "falls under the mandated coverage of the Affordable Care Act."

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David Mahler, CEO, New England Orthotic and Prosthetic Systems, testified, “I am speaking to you from a business perspective and how the policies the insurance companies are implementing are affecting the individuals we are working with. . . . The Medicare fee schedule is our standard for reimbursement But) most insurers have come to the table with the attitude that ‘if you want our contract here is your rate.’ There is no negotiation.” Consequently, some patients are provided with a less than fully satisfactory prosthesis because that is all the insurer will pay for. He said, “We . . . are not asking for more than what was established by our federal government agencies. What we are asking for is equality care for all individuals suffering from the loss of a limb.”

Brenda Novak and Herb Kolodny, Co-founders, Connecticut Amputee Network pointed out that, unlike Medicare and Medicaid, private insurance companies and Medicare Advantage plans increasingly provide coverage for limb amputation but not for a prosthetic replacement limb as “*not medically necessary*.” They asserted, “Individuals who suffer limb loss are individuals with a serious disability and deserve equal protection under the ADA. If a health insurance policy covers conditions requiring prosthetic devices, the medical treatment and associated prosthetic devices must be covered equally.” They cited a 2013 study that showed “Medicare could experience a 10% savings for those amputees receiving prosthetic devices.”

Amputees **Michael Brower Sr.** of Oakdale/Montville and **Glenn Stone** of Bristol, **Larry Dobitas of Trumbull** who have prosthetic devices, described their personal situations and strongly support the bill.

NATURE AND SOURCES OF OPPOSITION:

Connecticut Association of Health Plans opposes “yet another insurance mandate that will only drive up premiums further. Affordability continues to be the No. 1 priority for consumers in selecting insurance. . . . Furthermore, the Affordable Care Act requires that states absorb the full cost of any new mandates that rise above and beyond what’s required under the ACA. SB 176 surely will carry a fiscal note that will only exacerbate the state’s current fiscal crisis.”

Connecticut Conference of Municipalities warned, “State-mandated expansions of health insurance coverage would increase insurance costs, (which) would result in higher premiums for municipal employers,” and asked that the bill be held until “a detailed fiscal analysis on the impact this proposal would have on our towns” has been conducted and is available.

CBIA noted, “Roughly 95% of CBIA’s members are small employers with 50 or fewer employees. New health benefit mandates directly impact small employers because these mandates *only* apply to companies that fully insure” – which smaller companies tend to do “because they cannot afford to self-insure. . . . We must be prudent in adopting new measures and be sure we have all the data to substantively analyze new measures.”

Reported by: Diane Kubeck/Nancy Ahern

Date: April 4, 2018