FILED JAN 18 2006

COMMERCE

SENATE FILE 2039

BY WARD and WARNSTADT

(COMPANION TO LSB 5819HH
BY MADDOX)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act requiring every insurer offering certain individual or
2 group health insurance policies to provide coverage for
3 treatment of certain inborn errors of metabolism with a
4 dietary restriction.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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S.F. 2039 H.F. _____

1 Section 1. NEW SECTION. 514C.23 ENTERAL FORMULAS --
2 COVERAGE.
3 1. Notwithstanding the uniformity of treatment
4 requirements of section 514C.6, a policy or contract providing
5 for third-party payment or prepayment of health or medical
6 expenses shall not exclude or restrict benefits for enteral
7 formulas for home use for which a practitioner licensed by law
8 to prescribe and administer prescription drugs has issued a
9 written order, if such policy or contract provides benefits
10 for other outpatient prescription drugs or devices. Such
11 written order must state that the enteral formula is medically
12 necessary for the patient.
13 2. For purposes of this section, "enteral formula" means a
14 formula which has been proven effective for the treatment of
15 inborn errors of metabolism with a dietary restriction, which
16 if left untreated will cause malnourishment, chronic physical
17 disability, mental retardation, or death. "Enteral formula"
18 includes low-protein medical food and metabolic formula
19 prescribed for persons diagnosed with inborn errors of
20 metabolism with a dietary restriction. The commissioner, by
21 rule, shall further define "enteral formula".
22 3. a. This section applies to the following classes of
23 third-party payment provider contracts or policies delivered,
24 issued for delivery, continued, or renewed in this state on or
25 after July 1, 2006:
26 (1) Individual or group accident and sickness insurance
27 providing coverage on an expense-incurred basis.
28 (2) Any individual or group hospital or medical service
29 contract issued pursuant to chapter 509, 514, or 514A.
30 (3) Any individual or group health maintenance
31 organization contract regulated under chapter 514B.
32 (4) Any other entity engaged in the business of insurance,
33 risk transfer, or risk retention, which is subject to the
34 jurisdiction of the commissioner.
35 (5) A plan established pursuant to chapter 509A for public

1 employees.
2 (6) An organized delivery system licensed by the director
3 of public health.
4 b. This section shall not apply to accident only,
5 specified disease, short-term hospital or medical, hospital
6 confinement indemnity, credit, dental, vision, Medicare
7 supplement, long-term care, basic hospital and medical-
8 surgical expense coverage as defined by the commissioner,
9 disability income insurance coverage, coverage issued as a
10 supplement to liability insurance, workers' compensation or
11 similar insurance, or automobile medical payment insurance.
12 EXPLANATION
13 This bill creates new Code section 514C.23 and provides
14 that a policy or contract providing for third-party payment or
15 prepayment of health or medical expenses which provides
16 coverage benefits for other outpatient prescription drugs or
17 devices shall not exclude or restrict coverage benefits for
18 enteral formulas for home use prescribed by a practitioner as
19 being medically necessary and proven effective as a disease-
20 specific treatment regimen for individuals who are or will
21 become malnourished or suffer from disorders, which, if left
22 untreated, will cause chronic physical disability, mental
23 retardation, or death.
24 The bill defines "enteral formula" as a formula which has
25 been proven effective for the treatment of inborn errors of
26 metabolism with a dietary restriction which if left untreated
27 will cause malnourishment, chronic physical disability, mental
28 retardation, or death. "Enteral formula" is defined to
29 include low-protein medical food and metabolic formula
30 prescribed for persons diagnosed with inborn errors of
31 metabolism with a dietary restriction. The bill provides that
32 the commissioner, by rule, shall further define "enteral
33 formula".
34 The bill provides that the new Code section applies to
35 third-party payment provider contracts, or policies delivered,

1 issued for delivery, continued, or renewed in this state on or
2 after July 1, 2006.
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