S-0415.2			

SENATE BILL 5874

State of Washington

60th Legislature

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By Senator Kline

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18 19 Read first time 02/05/2007. Referred to Committee on Health & Long-Term Care.

AN ACT Relating to requiring health benefit plans to provide coverage for elemental formulas; adding a new section to chapter 41.05 RCW; adding a new section to chapter 48.20 RCW; adding a new section to chapter 48.21 RCW; adding a new section to chapter 48.44 RCW; adding a new section to chapter 48.46 RCW; adding a new section to chapter 48.125 RCW; adding a new section to chapter 70.47 RCW; and adding a new section to chapter 74.09 RCW.

- 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 9 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 41.05 RCW to read as follows:
 - (1) Each plan offered to public employees and their covered dependents under this chapter that is not subject to the provisions of Title 48 RCW and is issued or renewed after December 31, 2007, shall provide coverage for:
 - (a) Amino acid-based elemental formulas, regardless of the delivery method: (i) For the diagnosis and treatment of milk protein allergies and intolerances and other food allergies and intolerances, impaired absorption of nutrients caused by disorders affecting the absorptive surface, functional length, motility of the gastrointestinal tract, and

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inherited diseases of amino acids and organic acids; (ii) for testing to determine an infant's or child's status with regard to various diseases and disorders; and (iii) for any reason if required and recommended by a licensed health care professional; and

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- (b) Specialized amino acid-based elemental formulas when such specialized formulas are medically necessary for the treatment of a disease or condition and are the least restrictive means for meeting the needs of the patient. The verification of a disease or a condition must be directed by a licensed health care professional and administered under the direction of a licensed health care professional.
- 12 (2) This section shall not be construed to prevent the application 13 of standard policy provisions applicable to other benefits, such as 14 deductible or copayment provisions. This section does not limit the authority of the health care authority to negotiate rates and contract 15 with specific providers for the delivery of covered services. 16 17 section does not apply to medicare supplemental policies supplemental contracts covering a specified disease or other limited 18 benefits. 19
- NEW SECTION. Sec. 2. A new section is added to chapter 48.20 RCW to read as follows:
 - (1) Each disability insurance policy issued or renewed after December 31, 2007, that provides coverage for hospital or medical expenses shall provide coverage for:
 - (a) Amino acid-based elemental formulas, regardless of the delivery method: (i) For the diagnosis and treatment of milk protein allergies and intolerances and other food allergies and intolerances, impaired absorption of nutrients caused by disorders affecting the absorptive surface, functional length, motility of the gastrointestinal tract, and inherited diseases of amino acids and organic acids; (ii) for testing to determine an infant's or child's status with regard to various diseases and disorders; and (iii) for any reason if required and recommended by a licensed health care professional; and
 - (b) Specialized amino acid-based elemental formulas when such specialized formulas are medically necessary for the treatment of a disease or condition and are the least restrictive means for meeting the needs of the patient. The verification of a disease or a condition

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1 must be directed by a licensed health care professional and 2 administered under the direction of a licensed health care 3 professional.

(2) This section shall not be construed to prevent the application of standard policy provisions applicable to other benefits, such as deductible or copayment provisions. This section does not limit the authority of an insurer to negotiate rates and contract with specific providers for the delivery of services. This section does not apply to medicare supplemental policies or supplemental contracts covering a specified disease or other limited benefits.

NEW SECTION. Sec. 3. A new section is added to chapter 48.21 RCW to read as follows:

- (1) Each group disability insurance policy issued or renewed after December 31, 2007, that provides coverage for hospital or medical expenses shall provide coverage for:
- (a) Amino acid-based elemental formulas, regardless of the delivery method: (i) For the diagnosis and treatment of milk protein allergies and intolerances and other food allergies and intolerances, impaired absorption of nutrients caused by disorders affecting the absorptive surface, functional length, motility of the gastrointestinal tract, and inherited diseases of amino acids and organic acids; (ii) for testing to determine an infant's or child's status with regard to various diseases and disorders; and (iii) for any reason if required and recommended by a licensed health care professional; and
- (b) Specialized amino acid-based elemental formulas when such specialized formulas are medically necessary for the treatment of a disease or condition and are the least restrictive means for meeting the needs of the patient. The verification of a disease or a condition must be directed by a licensed health care professional and administered under the direction of a licensed health care professional.
- (2) This section shall not be construed to prevent the application of standard policy provisions applicable to other benefits, such as deductible or copayment provisions. This section does not limit the authority of an insurer to negotiate rates and contract with specific providers for the delivery of services. This section does not apply to

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- 1 medicare supplemental policies or supplemental contracts covering a 2 specified disease or other limited benefits.
- 3 <u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 48.44 RCW 4 to read as follows:

- (1) Each health care service contract issued or renewed after December 31, 2007, that provides coverage for hospital or medical expenses shall provide coverage for:
- (a) Amino acid-based elemental formulas, regardless of the delivery method: (i) For the diagnosis and treatment of milk protein allergies and intolerances and other food allergies and intolerances, impaired absorption of nutrients caused by disorders affecting the absorptive surface, functional length, motility of the gastrointestinal tract, and inherited diseases of amino acids and organic acids; (ii) for testing to determine an infant's or child's status with regard to various diseases and disorders; and (iii) for any reason if required and recommended by a licensed health care professional; and
- (b) Specialized amino acid-based elemental formulas when such specialized formulas are medically necessary for the treatment of a disease or condition and are the least restrictive means for meeting the needs of the patient. The verification of a disease or a condition must be directed by a licensed health care professional and administered under the direction of a licensed health care professional.
- (2) This section shall not be construed to prevent the application of standard policy provisions applicable to other benefits, such as deductible or copayment provisions. This section does not limit the authority of a contractor to negotiate rates and contract with specific providers for the delivery of services. This section does not apply to medicare supplemental policies or supplemental contracts covering a specified disease or other limited benefits.
- NEW SECTION. Sec. 5. A new section is added to chapter 48.46 RCW to read as follows:
- 33 (1) Each health maintenance agreement issued or renewed after 34 December 31, 2007, that provides coverage for hospital or medical 35 expenses shall provide coverage for:

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(a) Amino acid-based elemental formulas, regardless of the delivery method: (i) For the diagnosis and treatment of milk protein allergies and intolerances and other food allergies and intolerances, impaired absorption of nutrients caused by disorders affecting the absorptive surface, functional length, motility of the gastrointestinal tract, and inherited diseases of amino acids and organic acids; (ii) for testing to determine an infant's or child's status with regard to various diseases and disorders; and (iii) for any reason if required and recommended by a licensed health care professional; and

- (b) Specialized amino acid-based elemental formulas when such specialized formulas are medically necessary for the treatment of a disease or condition and are the least restrictive means for meeting the needs of the patient. The verification of a disease or a condition must be directed by a licensed health care professional and administered under the direction of a licensed health care professional.
- (2) This section shall not be construed to prevent the application of standard policy provisions applicable to other benefits, such as deductible or copayment provisions. This section does not limit the authority of a health maintenance organization to negotiate rates and contract with specific providers for the delivery of services. This section does not apply to medicare supplemental policies or supplemental contracts covering a specified disease or other limited benefits.

NEW SECTION. Sec. 6. A new section is added to chapter 48.125 RCW to read as follows:

- (1) Each self-funded multiple employer welfare arrangement established, operated, providing benefits, or maintained in this state after December 31, 2007, that provides coverage for hospital or medical expenses shall provide coverage for:
- (a) Amino acid-based elemental formulas, regardless of the delivery method: (i) For the diagnosis and treatment of milk protein allergies and intolerances and other food allergies and intolerances, impaired absorption of nutrients caused by disorders affecting the absorptive surface, functional length, motility of the gastrointestinal tract, and inherited diseases of amino acids and organic acids; (ii) for testing

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to determine an infant's or child's status with regard to various diseases and disorders; and (iii) for any reason if required and recommended by a licensed health care professional; and

- (b) Specialized amino acid-based elemental formulas when such specialized formulas are medically necessary for the treatment of a disease or condition and are the least restrictive means for meeting the needs of the patient. The verification of a disease or a condition must be directed by a licensed health care professional and administered under the direction of a licensed health care professional.
- 11 (2) This section shall not be construed to prevent the application 12 of standard policy provisions applicable to other benefits, such as 13 deductible or copayment provisions. This section does not limit the 14 authority of a self-funded multiple employer welfare arrangement to 15 negotiate rates and contract with specific providers for the delivery 16 of services.
 - <u>NEW SECTION.</u> **Sec. 7.** A new section is added to chapter 70.47 RCW to read as follows:
 - (1) Any schedule of benefits established or renewed by the Washington basic health plan after December 31, 2007, shall provide coverage for:
 - (a) Amino acid-based elemental formulas, regardless of the delivery method: (i) For the diagnosis and treatment of milk protein allergies and intolerances and other food allergies and intolerances, impaired absorption of nutrients caused by disorders affecting the absorptive surface, functional length, motility of the gastrointestinal tract, and inherited diseases of amino acids and organic acids; (ii) for testing to determine an infant's or child's status with regard to various diseases and disorders; and (iii) for any reason if required and recommended by a licensed health care professional; and
 - (b) Specialized amino acid-based elemental formulas when such specialized formulas are medically necessary for the treatment of a disease or condition and are the least restrictive means for meeting the needs of the patient. The verification of a disease or a condition must be directed by a licensed health care professional and administered under the direction of a licensed health care professional.

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(2) This section shall not be construed to prevent the application of standard policy provisions applicable to other benefits, such as deductible or copayment provisions. This section does not limit the authority of the health care authority to negotiate rates and contract with specific providers for the delivery of services.

6 <u>NEW SECTION.</u> **Sec. 8.** A new section is added to chapter 74.09 RCW 7 to read as follows:

The department shall provide coverage under this chapter for:

- (1) Amino acid-based elemental formulas, regardless of the delivery method: (i) For the diagnosis and treatment of milk protein allergies and intolerances and other food allergies and intolerances, impaired absorption of nutrients caused by disorders affecting the absorptive surface, functional length, motility of the gastrointestinal tract, and inherited diseases of amino acids and organic acids; (ii) for testing to determine an infant's or child's status with regard to various diseases and disorders; and (iii) for any reason if required and recommended by a licensed health care professional; and
- (2) Specialized amino acid-based elemental formulas when such specialized formulas are medically necessary for the treatment of a disease or condition and are the least restrictive means for meeting the needs of the patient. The verification of a disease or a condition must be directed by a licensed health care professional and administered under the direction of a licensed health care professional.

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