

# SENATE BILL REPORT

## SHB 2153

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As Reported by Senate Committee On:  
Health Care, February 27, 2014

**Title:** An act relating to the treatment of eosinophilic gastrointestinal associated disorders.

**Brief Description:** Concerning the treatment of eosinophilic gastrointestinal associated disorders.

**Sponsors:** House Committee on Health Care & Wellness (originally sponsored by Representatives Habib, Tarleton, Ross, Green, Morrell, Springer, Tharinger, Jinkins, Goodman, Van De Wege, Clibborn, Fey and Riccelli).

**Brief History:** Passed House: 2/14/14, 85-11.

**Committee Activity:** Health Care: 2/27/14 [DP-WM, w/oRec].

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### SENATE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Becker, Chair; Pedersen, Ranking Member; Angel, Bailey, Cleveland, Keiser and Parlette.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Dammeier, Vice Chair.

**Staff:** Mich'l Needham (786-7442)

**Background:** Eosinophils are a type of white blood cells that contain proteins designed to help the body fight infection. Eosinophilic gastrointestinal associated disorders (EGIDs) are chronic inflammatory disorders that result from an abnormally high number of eosinophils in the digestive system. Treatments for EGIDs include corticosteroids and dietary therapies. A patient on a restrictive diet may require an amino acid-based elemental formula to provide necessary nutrients.

In December 2013 the Department of Health (Department) completed a sunrise review of a proposal to require coverage of formulas necessary for the treatment of EGIDs, regardless of delivery method. The Department recommended adding a mandate to require coverage of elemental formulas to treat EGIDs, finding that the proposal was in the best interest of the public and that the benefits outweighed the costs.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The federal Affordable Care Act (ACA) requires most small group and individual health plans to offer a package of benefits known as the essential health benefits. A state must defray the costs to consumers for state-mandated benefits that are not included in the state's essential health benefits package. To determine the essential health benefits, federal law allows a state to choose a benchmark plan from a list of options and to supplement that plan to ensure it covers all of the essential health benefit categories specified in the ACA. Washington has chosen the largest small group plan in the state as its benchmark, which means most of the state's existing benefit mandates are included in the state's essential health benefit package. The state may not change its benchmark until at least 2016, when the federal government will revisit its approach for designating the essential health benefits.

State law requires the Insurance Commissioner to submit to the Legislature a list of state-mandated health benefits, the enforcement of which would result in federally imposed costs to the state. The list must include the anticipated costs to the state of each benefit on the list. The Insurance Commissioner may enforce a benefit on the list only if funds are appropriated by the Legislature for that purpose.

**Summary of Bill:** Health benefit plans, including the plans offered to public employees and their covered dependents, that are issued or renewed after December 31, 2015, must offer benefits or coverage for medically necessary elemental formula, regardless of delivery method, when a licensed health care provider with prescriptive authority (1) diagnoses a patient with EGIDs; and (2) orders and supervises the use of the elemental formula.

A health benefit plan may require prior authorization or impose other appropriate utilization controls in approving coverage for medically necessary elemental formula.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: You have had discussions on this bill and the companion SB 6073, so I will highlight the changes that were made in the House to address concerns of the insurance industry. This version addressed their concerns with the cost-sharing provisions and leave that flexible. EGIDs are dangerous life-threatening conditions and this bill provides parity for the treatment so that children do not have to be subjected to the more invasive tube feeding that is covered by insurance in favor of oral formula. Insurance should cover the treatment through whatever method it is delivered. Jacob was diagnosed with EGID and lived on elemental formula for three years. This provides parity for the formula. We worked with the carriers and removed the cost-sharing reference they were concerned with and now they are neutral on the bill.

**Persons Testifying:** PRO: Representative Habib, prime sponsor; Jeff Schwartz with sons Sam and Jacob.