

# SENATE BILL REPORT

## SHB 1216

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As Reported by Senate Committee On:  
Health Care, March 25, 2013

**Title:** An act relating to eosinophilia gastrointestinal associated disorders.

**Brief Description:** Concerning sunrise review for a proposal to establish a mandated benefit of treatment of eosinophilia gastrointestinal associated disorders.

**Sponsors:** House Committee on Health Care & Wellness (originally sponsored by Representatives Habib, Clibborn, Jinkins, McCoy, Springer, Morrell, Goodman, Appleton, Tarleton, Ryu, Tharinger and Fey).

**Brief History:** Passed House: 2/22/13, 90-6.

**Committee Activity:** Health Care: 3/14/13, 3/25/13 [DPA].

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### SENATE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass as amended.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Keiser, Ranking Member; Bailey, Cleveland, Ericksen, Frockt, Parlette and Schlicher.

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

**Background:** State law has mandated coverage for medical foods or specialized elemental formulas for children with phenylketonuria since 1988, for regulated group insurance products. Other chronic digestive system disorders, such as eosinophilia gastrointestinal disorders (EGID), may also require the use of specialized formulas as a medical necessity. Eosinophils are a type of white blood cell that contains proteins designed to help the body fight infection. Eosinophilia is an abnormally high number of eosinophils in the blood or body tissues. In some cases, eosinophilia can lead to inflammation of the gastrointestinal tract or the esophagus. Treatments for eosinophilia include corticosteroids and amino acid-based elemental formulas. The specialized formulas can be administered orally or through a feeding tube, but are often not covered by insurance if provided orally.

The Department of Health (DOH) performs sunrise reviews on proposals for new mandated insurance benefits when requested to do so by the Legislature. DOH reviews proposals for new insurance mandates by weighing the benefits of the mandates against the costs, including the impact on the availability of insurance. When DOH performs a sunrise review,

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the results must be reported back to the Legislature no later than 30 days prior to the start of the following legislative session.

**Summary of Bill (Recommended Amendments):** DOH must conduct a sunrise review of the proposal outlined in the original bill to require health carriers to cover formulas necessary for the treatment of EGID, regardless of the delivery method. DOH must report the results of the review no later than 30 days prior to the 2014 legislative session.

Consistent with current insurance law, each carrier must continue to apply a timely appeals review and expedited appeals process to ensure medically necessary treatment is available. Expedited appeals must be completed when a delay in the appeal process could jeopardize the enrollee's life, health, or ability to regain maximum function.

**EFFECT OF CHANGES MADE BY HEALTH CARE COMMITTEE (Recommended Amendments):** Existing insurance law is referenced indicating each carrier must continue to apply a timely appeals review and expedited appeals process to ensure medically necessary treatment is available. Expedited appeals must be completed when a delay in the appeal process could jeopardize the enrollee's life, health, or ability to regain maximum function.

**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 on Substitute House Bill:** PRO: This is a companion to a bill you heard in the Senate, but it has been scoped down to allow a sunrise review of the coverage. These elemental formulas can be \$1,200 per month and insurance often does not cover them. The study will allow us to discover which insurance carriers cover the formulas and when, and build the data needed to understand the potential impacts of a coverage requirement. There are very few people that have EGID, an estimated 100-200 people in the state may have it. The sunrise review may help provide the information to assess the impact on insurance and hopefully we will be back to extend coverage next year. Sunrise reviews are very helpful in examining requests for new mandates.

**Persons Testifying:** PRO: Representative Habib, prime sponsor; Jeffrey Schwartz, parent of child with EGID; Sydney Smith Zvara, Assn. of Heathcare Plans.