

SENATE BILL REPORT

SB 6098

As of January 20, 2020

Title: An act relating to insurance coverage of prosthetics and orthotics.

Brief Description: Concerning insurance coverage of prosthetics and orthotics.

Sponsors: Senators Rolfes, Kuderer and Wilson, C.

Brief History:

Committee Activity: Health & Long Term Care: 1/20/20.

Brief Summary of Bill

- Requires health plans, beginning January 1, 2021, to provide coverage for prosthetics and orthotics at least equivalent to the coverage provided under the federal Medicare program.
- Requires the reimbursement rate for prosthetic and orthotic devices to be at least equivalent to the Medicare rate.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: Evan Klein (786-7483)

Background: Federal Law. The Affordable Care Act (ACA) requires most individual and small group market health plans to cover ten categories of essential health benefits. To determine the specific services covered within each category, federal rules allow states to choose a benchmark plan and to supplement that plan, ensuring it covers all ten categories. State law designates the largest small group plan in the state as the benchmark plan.

The ACA prohibits health plans from imposing annual or lifetime limits on an essential health benefit for a particular beneficiary.

Washington Coverage. Braces, splints, prostheses, orthopedic appliances and orthotic devices, supplies or apparatuses used to support, align, or correct deformities or to improve the function of moving parts, and off-the-shelf shoe inserts and orthopedic shoes are covered as rehabilitative and habilitative services under Washington's benchmark plan.

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.

Medicare Coverage. Medicare Part B covers:

- furnishing and fitting custom-molded shoes and inserts or extra-depth shoes, if an enrollee has diabetes or severe diabetic foot disease; and
- prosthetic devices needed to replace a body part or function when a doctor or other health care provider orders them.

Medicare enrollees pay 20 percent of the Medicare-approved amount for external prosthetic devices, and the Part B deductible applies.

Summary of Bill: Health plans issued or renewed beginning January 1, 2021, must provide coverage for prosthetics and orthotics that is at least equivalent to the coverage provided under the federal Medicare program and no less favorable than the terms and conditions for the medical and surgical benefits in the policy. This coverage includes:

- all services and supplies determined medically necessary by the treating provider; and
- repair or replacement of a prosthetic or orthotic deemed medically necessary by the treating provider.

The reimbursement rate for prosthetic and orthotic devices must be at least equivalent to the Medicare rate. If the health plan imposes any deductible, prosthetic and orthotic benefits must be included with medical and surgical services to meet the deductible requirement. A health plan may subject coverage to copayment or coinsurance requirements.

A health plan may not impose annual or lifetime dollar limits on coverage for prosthetic and orthotic devices.

Appropriation: None.

Fiscal Note: Requested on January 13, 2020.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: A young man had his feet removed at birth and has lived his entire life with prosthetics. His parents expressed concerns about whether their son could receive coverage for prosthetics and orthotics once he is off his parents' insurance. Twenty-one states have this mandated coverage, and the hope is to add Washington to the list.

CON: Washington's health plans support patients having access to prosthetics and orthotics, but there are concerns this legislation prohibits carriers from imposing medical necessity review for these devices. There was a DOH sunrise review on this legislation in 2011, which did not recommend adoption, and noted that prohibiting medical necessity review would create issues. If the state creates a mandate in addition to the essential health benefits, the state would have to pay for offsets to the premiums. There are also issues with setting reimbursement rates in statute.

Persons Testifying: PRO: Senator Christine Rolfes, Prime Sponsor.

CON: Chris Bandoli, Association of Washington Healthcare Plans.

Persons Signed In To Testify But Not Testifying: No one.