

SENATE BILL REPORT

SB 5874

As Reported By Senate Committee On:
Health & Long-Term Care, February 26, 2007

Title: An act relating to requiring health benefit plans to provide coverage for elemental formulas.

Brief Description: Requiring health benefit plans to provide coverage for elemental formulas.

Sponsors: Senator Kline.

Brief History:

Committee Activity: Health & Long-Term Care: 2/19/07, 2/26/07 [DPS-WM, w/oRec].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5874 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Franklin, Vice Chair; Pflug, Ranking Minority Member; Fairley, Kastama, Kohl-Welles and Marr.

Minority Report: That it be referred without recommendation.

Signed by Senators Carrell and Parlette.

Staff: Mich'l Needham (786-7442)

Background: Approximately 2 to 3 percent of infants have an allergy to milk proteins. A small portion of these infants have severe food allergies, or impairments of their gastrointestinal tracts, and cannot tolerate any milk proteins or soy products. Specialized amino acid-based formulas are available with the simplest form of protein, but the specialized formulas are more expensive than other milk and soy based formulas, and may average \$800 a month.

Summary of Bill: All insurance policies that provide coverage for hospital or medical expenses must provide coverage for amino acid-based elemental formulas when such specialized formulas are medically necessary for the diagnosis and treatment of milk protein allergies, and other allergies or intolerances. All insurance carriers are impacted, including the state's self-insured plan, self-funded multiple employer welfare arrangements, and the Medical Assistance program.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Health & Long-Term Care): It is clarified that the specialized formulas

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will be covered for infants and children when medically necessary, and for any other metabolic condition rather than for "any reason."

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: This simply allows coverage of elemental formulas for young children that have severe allergies or gastrointestinal disorders. The insurance would cover the same formulas if they are administered via feeding tube, but they are denying the product if the child can drink it. Medicaid covers the product for tube feeding and oral feeding. It is necessary for survival for these children and should be treated as a medical necessity. Eighty percent of children outgrow the allergy or inability to digest the proteins by the time they are 12 months old.

CON: We object to any mandates; mandating coverage is an unwise way to design benefits. Group Health already covers the formula for malabsorption when it is medically necessary. The bill is too broad and could be tightened up with more language around medical necessity.

Persons Testifying: PRO: Senator Kline, prime sponsor; Melanie Carver, Christina Black, Anna McCartney, mothers.

CON: Sydney Zvara, Association of Washington Health Care Plans; Nancee Wildermuth, Regence, Aetna, PacifiCare; Ken Bertrand, Group Health.