SENATE BILL REPORT
SB 5629

As Reported by Senate Committee On:
Health & Long-Term Care, February 21, 2025

Title: An act relating to coverage requirements for prosthetic limbs and custom orthotic braces.

Brief Description: Concerning coverage requirements for prosthetic limbs and custom orthotic braces.

Sponsors: Senators Harris, Chapman, Dozier, Frame, Hasegawa, Liias, Slatter, Trudeau and Valdez.

Brief History:
Committee Activity: Health & Long-Term Care: 2/11/25, 2/21/25 [DPS, DNP].

Brief Summary of First Substitute Bill

- Requires large group health plans, except those offered to public employees, to provide coverage for prosthetic limbs and custom orthotic devices.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5629 be substituted therefor, and the substitute bill do pass.

Signed by Senators Cleveland, Chair; Orwall, Vice Chair; Bateman, Chapman, Harris, Holy, Riccelli, Robinson and Slatter.

Minority Report: Do not pass.

Signed by Senators Muzzall, Ranking Member; Christian.

Staff: Greg Attanasio (786-7410)

Background: The Affordable Care Act requires coverage of rehabilitative and habilitative

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services and devices as an essential health benefit.

Rehabilitative and habilitative services and devices are services and devices to gain or recover mental and physical skills for people with injuries, disabilities, or chronic conditions.

Medicare provides coverage for durable medical equipment, including prosthetics and orthotics, for people with limb loss or limb difference. Generally, a Medicare enrollee pays 20 percent of the Medicare-approved amount for the device and Medicare pays the rest.

Summary of Bill (First Substitute): Beginning January 1, 2026, large group health plans, except those offered to public employees, must provide coverage for one or more prostheses per limb and custom orthotic braces per limb when medically necessary for the enrollee to participate in the activities of daily living or essential job related activities, and perform physical activities, including but not limited to running, biking, swimming, and strength training, for maximizing the enrollee's lower limb function, upper limb function, or both.

The requirement includes coverage for materials, components, and related services necessary to use the devices for their intended purposes, instruction to the enrollee on using the devices, and reasonable repair or replacement of the devices.

Coverage includes replacement or repair of a prosthetic limb or custom orthotic brace or for the replacement or repair of any part, without regard to continuous use or useful lifetime restrictions, if medically necessary because:

- of a change in the physiological condition of the patient;
- of an irreparable change in the condition of the device or a part of the device; or
- the device, or any part of the device, requires repairs and the cost of such repairs would be more than 60 percent of the cost of a replacement device or of the part being replaced.

A health plan may not deny coverage for a prosthetic limb or custom orthotic brace for an enrollee with a disability if health care services would otherwise be covered for a nondisabled person seeking medical or surgical intervention to restore or maintain the ability to perform the same physical activity.

A health plan may apply normal utilization management and prior authorization practices; however, a denial of coverage must be issued in writing with an explanation for determining coverage was not medically necessary.

A health plan must provide payment for coverage that is at least equal to the payment and coverage provided by Medicare.

No later than July 1, 2028, health carriers must report to the Office of the Insurance Commissioner (OIC) the number of claims and the total amount of claims paid in the state

for the services required by this act for plan years 2026 and 2027. OIC must aggregate this data by plan year in a report and submit the report to the relevant committees of the Legislature by December 1, 2028.

EFFECT OF CHANGES MADE BY HEALTH & LONG-TERM CARE COMMITTEE (First Substitute):

- Applies the coverage requirements in the bill to large group health plans only, except those plans offered to public employees.

Appropriation: None.

Fiscal Note: Requested on February 5, 2025.

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 on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Prosthetics for physical activities are often not covered by insurance. Having the appropriate devices saves money. Patient's goals are out of reach because the cost of activity-specific devices are out of reach. Everyday devices can break when used for physical activities. People need activity-specific prosthesis to participate safely. Those most marginalized are the least likely to have access to required devices.

OTHER: This coverage could be considered a new mandate requiring state deferral of costs to the individual market.

Persons Testifying: PRO: Hannah Cvancara; Sierra Landholm; Cody McDonald, citizen; Megan Gleason, Citizen; Shane Solomon, Citizen ; Dillen Maurer; Jenn Maurer; Nicole Ver Kuilen; Ashley Carvalho; Addie Yake, Citizen; Logan Powell, Citizen; Vala Hallgrimson; Glen Barfield.

OTHER: Delika Steele, Office of the Insurance Commissioner.

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