

20101259D

HOUSE BILL NO. 503

Offered January 8, 2020

Prefiled January 3, 2020

A BILL to amend and reenact § 32.1-325 of the Code of Virginia, to amend the Code of Virginia by adding a section numbered 38.2-3418.15:1, and to repeal § 38.2-3418.15 of the Code of Virginia, relating to coverage for prosthetic devices and components.

Patrons—Roem, Hope, Jenkins, Levine, Rasoul and Samirah; Senator: Hanger

Referred to Committee on Labor and Commerce

Be it enacted by the General Assembly of Virginia:

1. That § 32.1-325 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 38.2-3418.15:1 as follows:

§ 32.1-325. Board to submit plan for medical assistance services to U.S. Secretary of Health and Human Services pursuant to federal law; administration of plan; contracts with health care providers.

A. The Board, subject to the approval of the Governor, is authorized to prepare, amend from time to time, and submit to the U.S. Secretary of Health and Human Services a state plan for medical assistance services pursuant to Title XIX of the United States Social Security Act and any amendments thereto. The Board shall include in such plan:

1. A provision for payment of medical assistance on behalf of individuals, up to the age of 21, placed in foster homes or private institutions by private, nonprofit agencies licensed as child-placing agencies by the Department of Social Services or placed through state and local subsidized adoptions to the extent permitted under federal statute;

2. A provision for determining eligibility for benefits for medically needy individuals which disregards from countable resources an amount not in excess of \$3,500 for the individual and an amount not in excess of \$3,500 for his spouse when such resources have been set aside to meet the burial expenses of the individual or his spouse. The amount disregarded shall be reduced by (i) the face value of life insurance on the life of an individual owned by the individual or his spouse if the cash surrender value of such policies has been excluded from countable resources and (ii) the amount of any other revocable or irrevocable trust, contract, or other arrangement specifically designated for the purpose of meeting the individual's or his spouse's burial expenses;

3. A requirement that, in determining eligibility, a home shall be disregarded. For those medically needy persons whose eligibility for medical assistance is required by federal law to be dependent on the budget methodology for Aid to Families with Dependent Children, a home means the house and lot used as the principal residence and all contiguous property. For all other persons, a home shall mean the house and lot used as the principal residence, as well as all contiguous property, as long as the value of the land, exclusive of the lot occupied by the house, does not exceed \$5,000. In any case in which the definition of home as provided here is more restrictive than that provided in the state plan for medical assistance services in Virginia as it was in effect on January 1, 1972, then a home means the house and lot used as the principal residence and all contiguous property essential to the operation of the home regardless of value;

4. A provision for payment of medical assistance on behalf of individuals up to the age of 21, who are Medicaid eligible, for medically necessary stays in acute care facilities in excess of 21 days per admission;

5. A provision for deducting from an institutionalized recipient's income an amount for the maintenance of the individual's spouse at home;

6. A provision for payment of medical assistance on behalf of pregnant women which provides for payment for inpatient postpartum treatment in accordance with the medical criteria outlined in the most current version of or an official update to the "Guidelines for Perinatal Care" prepared by the American Academy of Pediatrics and the American College of Obstetricians and Gynecologists or the "Standards for Obstetric-Gynecologic Services" prepared by the American College of Obstetricians and Gynecologists. Payment shall be made for any postpartum home visit or visits for the mothers and the children which are within the time periods recommended by the attending physicians in accordance with and as indicated by such Guidelines or Standards. For the purposes of this subdivision, such Guidelines or Standards shall include any changes thereto within six months of the publication of such Guidelines or Standards or any official amendment thereto;

7. A provision for the payment for family planning services on behalf of women who were

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59 Medicaid-eligible for prenatal care and delivery as provided in this section at the time of delivery. Such
60 family planning services shall begin with delivery and continue for a period of 24 months, if the woman
61 continues to meet the financial eligibility requirements for a pregnant woman under Medicaid. For the
62 purposes of this section, family planning services shall not cover payment for abortion services and no
63 funds shall be used to perform, assist, encourage or make direct referrals for abortions;

64 8. A provision for payment of medical assistance for high-dose chemotherapy and bone marrow
65 transplants on behalf of individuals over the age of 21 who have been diagnosed with lymphoma, breast
66 cancer, myeloma, or leukemia and have been determined by the treating health care provider to have a
67 performance status sufficient to proceed with such high-dose chemotherapy and bone marrow transplant.
68 Appeals of these cases shall be handled in accordance with the Department's expedited appeals process;

69 9. A provision identifying entities approved by the Board to receive applications and to determine
70 eligibility for medical assistance, which shall include a requirement that such entities (i) obtain accurate
71 contact information, including the best available address and telephone number, from each applicant for
72 medical assistance, to the extent required by federal law and regulations, and (ii) provide each applicant
73 for medical assistance with information about advance directives pursuant to Article 8 (§ 54.1-2981 et
74 seq.) of Chapter 29 of Title 54.1, including information about the purpose and benefits of advance
75 directives and how the applicant may make an advance directive;

76 10. A provision for breast reconstructive surgery following the medically necessary removal of a
77 breast for any medical reason. Breast reductions shall be covered, if prior authorization has been
78 obtained, for all medically necessary indications. Such procedures shall be considered noncosmetic;

79 11. A provision for payment of medical assistance for annual pap smears;

80 12. A provision for payment of medical assistance services for prostheses following the medically
81 necessary complete or partial removal of a breast for any medical reason;

82 13. A provision for payment of medical assistance which provides for payment for 48 hours of
83 inpatient treatment for a patient following a radical or modified radical mastectomy and 24 hours of
84 inpatient care following a total mastectomy or a partial mastectomy with lymph node dissection for
85 treatment of disease or trauma of the breast. Nothing in this subdivision shall be construed as requiring
86 the provision of inpatient coverage where the attending physician in consultation with the patient
87 determines that a shorter period of hospital stay is appropriate;

88 14. A requirement that certificates of medical necessity for durable medical equipment and any
89 supporting verifiable documentation shall be signed, dated, and returned by the physician, physician
90 assistant, or nurse practitioner and in the durable medical equipment provider's possession within 60
91 days from the time the ordered durable medical equipment and supplies are first furnished by the
92 durable medical equipment provider;

93 15. A provision for payment of medical assistance to (i) persons age 50 and over and (ii) persons
94 age 40 and over who are at high risk for prostate cancer, according to the most recent published
95 guidelines of the American Cancer Society, for one PSA test in a 12-month period and digital rectal
96 examinations, all in accordance with American Cancer Society guidelines. For the purpose of this
97 subdivision, "PSA testing" means the analysis of a blood sample to determine the level of prostate
98 specific antigen;

99 16. A provision for payment of medical assistance for low-dose screening mammograms for
100 determining the presence of occult breast cancer. Such coverage shall make available one screening
101 mammogram to persons age 35 through 39, one such mammogram biennially to persons age 40 through
102 49, and one such mammogram annually to persons age 50 and over. The term "mammogram" means an
103 X-ray examination of the breast using equipment dedicated specifically for mammography, including but
104 not limited to the X-ray tube, filter, compression device, screens, film and cassettes, with an average
105 radiation exposure of less than one rad mid-breast, two views of each breast;

106 17. A provision, when in compliance with federal law and regulation and approved by the Centers
107 for Medicare & Medicaid Services (CMS), for payment of medical assistance services delivered to
108 Medicaid-eligible students when such services qualify for reimbursement by the Virginia Medicaid
109 program and may be provided by school divisions;

110 18. A provision for payment of medical assistance services for liver, heart and lung transplantation
111 procedures for individuals over the age of 21 years when (i) there is no effective alternative medical or
112 surgical therapy available with outcomes that are at least comparable; (ii) the transplant procedure and
113 application of the procedure in treatment of the specific condition have been clearly demonstrated to be
114 medically effective and not experimental or investigational; (iii) prior authorization by the Department of
115 Medical Assistance Services has been obtained; (iv) the patient selection criteria of the specific
116 transplant center where the surgery is proposed to be performed have been used by the transplant team
117 or program to determine the appropriateness of the patient for the procedure; (v) current medical therapy
118 has failed and the patient has failed to respond to appropriate therapeutic management; (vi) the patient is
119 not in an irreversible terminal state; and (vii) the transplant is likely to prolong the patient's life and
120 restore a range of physical and social functioning in the activities of daily living;

19. A provision for payment of medical assistance for colorectal cancer screening, specifically screening with an annual fecal occult blood test, flexible sigmoidoscopy or colonoscopy, or in appropriate circumstances radiologic imaging, in accordance with the most recently published recommendations established by the American College of Gastroenterology, in consultation with the American Cancer Society, for the ages, family histories, and frequencies referenced in such recommendations;

20. A provision for payment of medical assistance for custom ocular prostheses;

21. A provision for payment for medical assistance for infant hearing screenings and all necessary audiological examinations provided pursuant to § 32.1-64.1 using any technology approved by the United States Food and Drug Administration, and as recommended by the national Joint Committee on Infant Hearing in its most current position statement addressing early hearing detection and intervention programs. Such provision shall include payment for medical assistance for follow-up audiological examinations as recommended by a physician, physician assistant, nurse practitioner, or audiologist and performed by a licensed audiologist to confirm the existence or absence of hearing loss;

22. A provision for payment of medical assistance, pursuant to the Breast and Cervical Cancer Prevention and Treatment Act of 2000 (P.L. 106-354), for certain women with breast or cervical cancer when such women (i) have been screened for breast or cervical cancer under the Centers for Disease Control and Prevention (CDC) Breast and Cervical Cancer Early Detection Program established under Title XV of the Public Health Service Act; (ii) need treatment for breast or cervical cancer, including treatment for a precancerous condition of the breast or cervix; (iii) are not otherwise covered under creditable coverage, as defined in § 2701 (c) of the Public Health Service Act; (iv) are not otherwise eligible for medical assistance services under any mandatory categorically needy eligibility group; and (v) have not attained age 65. This provision shall include an expedited eligibility determination for such women;

23. A provision for the coordinated administration, including outreach, enrollment, re-enrollment and services delivery, of medical assistance services provided to medically indigent children pursuant to this chapter, which shall be called Family Access to Medical Insurance Security (FAMIS) Plus and the FAMIS Plan program in § 32.1-351. A single application form shall be used to determine eligibility for both programs;

24. A provision, when authorized by and in compliance with federal law, to establish a public-private long-term care partnership program between the Commonwealth of Virginia and private insurance companies that shall be established through the filing of an amendment to the state plan for medical assistance services by the Department of Medical Assistance Services. The purpose of the program shall be to reduce Medicaid costs for long-term care by delaying or eliminating dependence on Medicaid for such services through encouraging the purchase of private long-term care insurance policies that have been designated as qualified state long-term care insurance partnerships and may be used as the first source of benefits for the participant's long-term care. Components of the program, including the treatment of assets for Medicaid eligibility and estate recovery, shall be structured in accordance with federal law and applicable federal guidelines;

25. A provision for the payment of medical assistance for otherwise eligible pregnant women during the first five years of lawful residence in the United States, pursuant to § 214 of the Children's Health Insurance Program Reauthorization Act of 2009 (P.L. 111-3); ~~and~~

26. A provision for the payment of medical assistance for medically necessary health care services provided through telemedicine services; *and*

27. A provision for payment for medical assistance for medically necessary prosthetic devices and their repair, fitting, replacement, and components. Coverage for medically necessary prosthetic devices does not include (i) the cost of repair and replacement due to enrollee neglect, misuse, or abuse or (ii) prosthetic devices designed primarily for an athletic purpose. As used in this subdivision, "component," "medically necessary prosthetic device," and "prosthetic device" have the meaning ascribed thereto in § 38.2-3418.15:1.

B. In preparing the plan, the Board shall:

1. Work cooperatively with the State Board of Health to ensure that quality patient care is provided and that the health, safety, security, rights and welfare of patients are ensured.

2. Initiate such cost containment or other measures as are set forth in the appropriation act.

3. Make, adopt, promulgate and enforce such regulations as may be necessary to carry out the provisions of this chapter.

4. Examine, before acting on a regulation to be published in the Virginia Register of Regulations pursuant to § 2.2-4007.05, the potential fiscal impact of such regulation on local boards of social services. For regulations with potential fiscal impact, the Board shall share copies of the fiscal impact analysis with local boards of social services prior to submission to the Registrar. The fiscal impact analysis shall include the projected costs/savings to the local boards of social services to implement or

182 comply with such regulation and, where applicable, sources of potential funds to implement or comply
183 with such regulation.

184 5. Incorporate sanctions and remedies for certified nursing facilities established by state law, in
185 accordance with 42 C.F.R. § 488.400 et seq. "Enforcement of Compliance for Long-Term Care Facilities
186 With Deficiencies."

187 6. On and after July 1, 2002, require that a prescription benefit card, health insurance benefit card, or
188 other technology that complies with the requirements set forth in § 38.2-3407.4:2 be issued to each
189 recipient of medical assistance services, and shall upon any changes in the required data elements set
190 forth in subsection A of § 38.2-3407.4:2, either reissue the card or provide recipients such corrective
191 information as may be required to electronically process a prescription claim.

192 C. In order to enable the Commonwealth to continue to receive federal grants or reimbursement for
193 medical assistance or related services, the Board, subject to the approval of the Governor, may adopt,
194 regardless of any other provision of this chapter, such amendments to the state plan for medical
195 assistance services as may be necessary to conform such plan with amendments to the United States
196 Social Security Act or other relevant federal law and their implementing regulations or constructions of
197 these laws and regulations by courts of competent jurisdiction or the United States Secretary of Health
198 and Human Services.

199 In the event conforming amendments to the state plan for medical assistance services are adopted, the
200 Board shall not be required to comply with the requirements of Article 2 (§ 2.2-4006 et seq.) of Chapter
201 40 of Title 2.2. However, the Board shall, pursuant to the requirements of § 2.2-4002, (i) notify the
202 Registrar of Regulations that such amendment is necessary to meet the requirements of federal law or
203 regulations or because of the order of any state or federal court, or (ii) certify to the Governor that the
204 regulations are necessitated by an emergency situation. Any such amendments that are in conflict with
205 the Code of Virginia shall only remain in effect until July 1 following adjournment of the next regular
206 session of the General Assembly unless enacted into law.

207 D. The Director of Medical Assistance Services is authorized to:

208 1. Administer such state plan and receive and expend federal funds therefor in accordance with
209 applicable federal and state laws and regulations; and enter into all contracts necessary or incidental to
210 the performance of the Department's duties and the execution of its powers as provided by law.

211 2. Enter into agreements and contracts with medical care facilities, physicians, dentists and other
212 health care providers where necessary to carry out the provisions of such state plan. Any such agreement
213 or contract shall terminate upon conviction of the provider of a felony. In the event such conviction is
214 reversed upon appeal, the provider may apply to the Director of Medical Assistance Services for a new
215 agreement or contract. Such provider may also apply to the Director for reconsideration of the
216 agreement or contract termination if the conviction is not appealed, or if it is not reversed upon appeal.

217 3. Refuse to enter into or renew an agreement or contract, or elect to terminate an existing agreement
218 or contract, with any provider who has been convicted of or otherwise pled guilty to a felony, or
219 pursuant to Subparts A, B, and C of 42 C.F.R. Part 1002, and upon notice of such action to the provider
220 as required by 42 C.F.R. § 1002.212.

221 4. Refuse to enter into or renew an agreement or contract, or elect to terminate an existing agreement
222 or contract, with a provider who is or has been a principal in a professional or other corporation when
223 such corporation has been convicted of or otherwise pled guilty to any violation of § 32.1-314, 32.1-315,
224 32.1-316, or 32.1-317, or any other felony or has been excluded from participation in any federal
225 program pursuant to 42 C.F.R. Part 1002.

226 5. Terminate or suspend a provider agreement with a home care organization pursuant to subsection
227 E of § 32.1-162.13.

228 6. [Expired.]

229 For the purposes of this subsection, "provider" may refer to an individual or an entity.

230 E. In any case in which a Medicaid agreement or contract is terminated or denied to a provider
231 pursuant to subsection D, the provider shall be entitled to appeal the decision pursuant to 42 C.F.R.
232 § 1002.213 and to a post-determination or post-denial hearing in accordance with the Administrative
233 Process Act (§ 2.2-4000 et seq.). All such requests shall be in writing and be received within 15 days of
234 the date of receipt of the notice.

235 The Director may consider aggravating and mitigating factors including the nature and extent of any
236 adverse impact the agreement or contract denial or termination may have on the medical care provided
237 to Virginia Medicaid recipients. In cases in which an agreement or contract is terminated pursuant to
238 subsection D, the Director may determine the period of exclusion and may consider aggravating and
239 mitigating factors to lengthen or shorten the period of exclusion, and may reinstate the provider pursuant
240 to 42 C.F.R. § 1002.215.

241 F. When the services provided for by such plan are services which a marriage and family therapist,
242 clinical psychologist, clinical social worker, professional counselor, or clinical nurse specialist is licensed
243 to render in Virginia, the Director shall contract with any duly licensed marriage and family therapist,

duly licensed clinical psychologist, licensed clinical social worker, licensed professional counselor or licensed clinical nurse specialist who makes application to be a provider of such services, and thereafter shall pay for covered services as provided in the state plan. The Board shall promulgate regulations which reimburse licensed marriage and family therapists, licensed clinical psychologists, licensed clinical social workers, licensed professional counselors and licensed clinical nurse specialists at rates based upon reasonable criteria, including the professional credentials required for licensure.

G. The Board shall prepare and submit to the Secretary of the United States Department of Health and Human Services such amendments to the state plan for medical assistance services as may be permitted by federal law to establish a program of family assistance whereby children over the age of 18 years shall make reasonable contributions, as determined by regulations of the Board, toward the cost of providing medical assistance under the plan to their parents.

H. The Department of Medical Assistance Services shall:

1. Include in its provider networks and all of its health maintenance organization contracts a provision for the payment of medical assistance on behalf of individuals up to the age of 21 who have special needs and who are Medicaid eligible, including individuals who have been victims of child abuse and neglect, for medically necessary assessment and treatment services, when such services are delivered by a provider which specializes solely in the diagnosis and treatment of child abuse and neglect, or a provider with comparable expertise, as determined by the Director.

2. Amend the Medallion II waiver and its implementing regulations to develop and implement an exception, with procedural requirements, to mandatory enrollment for certain children between birth and age three certified by the Department of Behavioral Health and Developmental Services as eligible for services pursuant to Part C of the Individuals with Disabilities Education Act (20 U.S.C. § 1471 et seq.).

3. Utilize, to the extent practicable, electronic funds transfer technology for reimbursement to contractors and enrolled providers for the provision of health care services under Medicaid and the Family Access to Medical Insurance Security Plan established under § 32.1-351.

I. The Director is authorized to negotiate and enter into agreements for services rendered to eligible recipients with special needs. The Board shall promulgate regulations regarding these special needs patients, to include persons with AIDS, ventilator-dependent patients, and other recipients with special needs as defined by the Board.

J. Except as provided in subdivision A 1 of § 2.2-4345, the provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall not apply to the activities of the Director authorized by subsection I of this section. Agreements made pursuant to this subsection shall comply with federal law and regulation.

§ 38.2-3418.15:1. Coverage for prosthetic devices and components.

A. As used in this section:

"Component" means the materials and equipment needed to ensure the comfort and functioning of a prosthetic device.

"Limb" means an arm, a hand, a leg, a foot, or any portion of an arm, a hand, a leg, or a foot.

"Medically necessary prosthetic device" includes any myoelectric, biomechanical, or microprocessor-controlled prosthetic device that has a Medicare code.

"Prosthetic device" means an artificial device to replace, in whole or in part, a limb.

B. Notwithstanding the provisions of § 38.2-3419, each insurer proposing to issue individual or group accident and sickness insurance policies providing hospital, medical and surgical, or major medical coverage on an expense-incurred basis; each corporation providing individual or group accident and sickness subscription contracts; and each health maintenance organization providing a health care plan for health care services shall provide coverage for medically necessary prosthetic devices and their repair, fitting, replacement, and components.

C. The coverage required under subsection B shall be subject to the following:

1. Coverage for medically necessary prosthetic devices does not include:

a. The cost of repair and replacement due to enrollee neglect, misuse, or abuse; or

b. Prosthetic devices designed primarily for an athletic purpose.

2. An insurer shall not impose any annual or lifetime dollar maximum on coverage for prosthetic devices other than an annual or lifetime dollar maximum that applies in the aggregate to all items and services covered under the policy. The coverage may be made subject to, and no more restrictive than, the provisions of a health insurance policy that apply to other benefits under the policy.

3. An insurer, corporation, or health maintenance organization shall not apply amounts paid for prosthetic devices to any annual or lifetime dollar maximum applicable to other durable medical equipment covered under the policy other than an annual or lifetime dollar maximum that applies in the aggregate to all items and services covered under the policy.

4. An insurer, corporation, or health maintenance organization shall not impose upon any person receiving benefits pursuant to this section any coinsurance in excess of 30 percent of the carrier's

305 allowable charge for such prosthetic device or service when such device or service is provided by an
306 in-network provider.

307 5. An insurer, corporation, or health maintenance organization may require preauthorization to
308 determine medical necessity and the eligibility of benefits for prosthetic devices and components in the
309 same manner that prior authorization is required for any other covered benefit.

310 D. The provisions of this section shall apply to any policy, contract, or plan delivered, issued for
311 delivery, or renewed in the Commonwealth on and after January 1, 2021, or at any time thereafter
312 when any term of the policy, contract, or plan is changed or any premium adjustment is made.

313 E. The provisions of this section shall not apply to short-term travel, accident-only, or limited or
314 specified disease policies; contracts designed for issuance to persons eligible for coverage under Title
315 XVIII of the Social Security Act, known as Medicare, or any other similar coverage under state or
316 federal governmental plans; or short-term nonrenewable policies of not more than six months' duration.

317 2. That § 38.2-3418.15 of the Code of Virginia is repealed.

318 3. That the provisions of this act shall become effective on January 1, 2021.