

State Corporation Commission 2007 Fiscal Impact Statement

1. Bill Number HB2447

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Frederick

3. Committee Committee: Commerce and Labor

4. Title Health insurance; mandated coverage for enteral formulas necessitated by inborn metabolic disorders.

5. Summary/Purpose: Requires insurers and health maintenance organizations to include coverage for the cost of enteral formulas for home use of persons with inborn metabolic disorders, if the policy, contract or plan provides coverage for prescription drugs. The bill applies only to enteral formulas for which the covered individual's physician has written an order stating the formula is medically necessary and the formula has been proven effective as a disease treatment regimen and is the primary source of nutrition, as certified by the physician's diagnosis. Coverage for the formulas must include modified solid foods that are low protein or contain modified protein that is medically necessary. The coverage of the food products for a calendar year or 12 month period for an insured is limited to \$5,000.00. The bill defines "inborn metabolic disorder" as meaning an inherited, genetically determined biochemical disorder of amino acid or organic acid metabolism in which a specific enzyme deficiency produces a metabolic block, involving amino acid, carbohydrate, and fat metabolism that results in mental retardation or death if untreated. A managed care insurance plan, as defined in Chapter 58 (§ 38.2-5800 et seq.), may require the prescribing physician to be a member of the plan's provider network if the network includes sufficient health care professionals that are qualified by specific education, experience, and credentials, to provide the covered benefits as described in the bill. The bill prohibits insurers, corporations, or HMOs from imposing copayments, fees, policy year or calendar year, or durational benefit limitations or maximums for benefits or services that are not equally imposed on all individuals in the same benefit category. The bill applies to insurance policies, contracts, and plans delivered, issued for delivery, reissued, or extended in the Commonwealth on or after July 2008, or at any time thereafter when the term is changed or a premium adjustment is made. The bill does not apply to short-term travel, accident-only, limited or specified disease policies, or individual conversion policies or contracts, nor to policies or contracts for persons eligible for coverage under Title XVIII of the Social Security Act (Medicare), or any other similar coverage under state or federal governmental plans.

6. No Fiscal Impact on the State Corporation Commission

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: On January 16 the bill was referred from the Committee on Commerce and Labor to the Special Advisory Commission on Mandated Health Insurance Benefits for review in 2007.

Date: 01/18 /07/ V. Tompkins

cc: Secretary of Health and Human Resources