

# State Corporation Commission

## 2016 Fiscal Impact Statement

**1. Bill Number:** HB601

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Murphy

**3. Committee:** Commerce and Labor

**4. Title:** Health insurance; mandated coverage for treatment of inborn errors of metabolism.

**5. Summary:** Health insurance; mandated coverage for treatment of inborn errors of metabolism. Requires health carriers to provide coverage for treatment of inborn errors of metabolism that involve amino acid, carbohydrate, and fat metabolism and for which medically standard methods of diagnosis, treatment, and monitoring exist. Coverage required pursuant to the bill shall include expenses of diagnosing, monitoring and controlling the disorders by nutritional and medical assessment, including clinical visits, biochemical analysis, medical foods, nutritional supplements, and formulas used in the treatment of such disorders.

**6. Budget amendment necessary:** No

**7. Fiscal Impact Estimates:** No Fiscal Impact on the State Corporation Commission

**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:** Similar bills mandating coverage for the treatment of inborn errors of metabolism have been introduced, but not enacted, in past sessions of the General Assembly from 1999 through 2013. The issue was reviewed three times by the former Special Advisory Commission on Mandated Health Insurance Benefits. The Advisory Commission recommended that a mechanism for payment for the foods and formula for affected individuals be provided through expansion of the Virginia Department of Health program for individuals with metabolic disorders or through a tax credit for impacted families. In the Essential Health Benefits under the federal Affordable Care Act currently and for 2017, coverage in the individual and small group markets must include special medical formulas which are the primary source of nutrition for covered persons with inborn errors of amino acid or organic acid metabolism, metabolic abnormality or severe protein or soy allergies. These formulas must be prescribed by a physician and required to maintain adequate nutritional status. It appears that services mentioned in House Bill 601 other than special medical foods are neither specifically covered nor specifically excluded from coverage presently. Further, coverage may be subject to cost-sharing requirements, but coverage limits must be no more restrictive than for any other covered injury or sickness.

The bill has a delayed effective date of January 1, 2017.

**Date:** 01/21/16/V. Tompkins

cc: Secretary of Health and Human Resources