

State Corporation Commission

2020 Fiscal Impact Statement

1. Bill Number: HB612

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Plum

3. Committee: Labor and Commerce

4. Title: Health insurance; amino acid-based elemental formula.

5. Summary: Requires health insurers, health care subscription plans, and health maintenance organizations whose policy, contract, or plan includes coverage for medicines to cover amino acid-based elemental formula for the treatment of specified diseases or disorders.

6. Budget Amendment Necessary: No. See Item 8.

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission. The impact on the State Health Insurance Plan is unknown at this time.

8. Fiscal Implications: None on the State Corporation Commission. The impact on the State Health Insurance Plan is unknown at this time.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission
Bureau of Insurance, Department of Human Resource Management

10. Technical Amendment Necessary: No

11. Other Comments: The Affordable Care Act (ACA) requires a benchmark health insurance plan, selected by the state, by which minimum coverages are established for all individual and small group plans. The Virginia Essential Health Benefit (EHB) Benchmark Plan covers infusion services, including enteral nutrition therapy, infusion of special medical formulas as the primary source of nutrition for persons with inborn errors of amino acid or organic acid metabolism, metabolic abnormality or severe protein or soy allergies when prescribed by a physician. House Bill 612 differs from what is outlined in the Benchmark Plan because House Bill 612 does not limit the mandate for formula and enteral nutrition products to persons with inborn areas of metabolism, or severe protein or soy allergies. The bill includes language which allows for the application of cost sharing. The Bureau characterizes the provisions of the proposed mandate as an extension of an existing EHB rather than a new or additional benefit and anticipates that the Commonwealth would not be required to defray the cost of providing this mandate as the result of its enactment.

A survey of carriers by the Virginia Association of Health Plans indicates all responding carriers cover some formula and nutrition products if medically necessary, under the care of a physician and subject to specific criteria, e.g. usually limited to patients with inborn errors of metabolism, severe protein or soy allergies.

Date: 1/23/20/V. Tompkins