

Senator John L. Valentine proposes the following substitute bill:

PROSTHETIC LIMB HEALTH INSURANCE

PARITY

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David Litvack

Senate Sponsor: John L. Valentine

LONG TITLE

General Description:

This bill amends the Insurance Code to require an insurer that provides a health benefit plan to offer coverage for prosthetic devices.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires an insurer that provides a health benefit plan to offer at least one plan that provides coverage for prosthetic devices; and
- ▶ establishes terms of coverage and minimum requirements relating to the coverage described in this bill.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

31A-22-638, Utah Code Annotated 1953



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Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-22-638** is enacted to read:

31A-22-638. Coverage for prosthetic devices.

(1) For purposes of this section:

(a) "Orthotic device" means a rigid or semirigid device supporting a weak or deformed leg, foot, arm, hand, back, or neck, or restricting or eliminating motion in a diseased or injured leg, foot, arm, hand, back, or neck.

(b) (i) "Prosthetic device" means an artificial limb device or appliance designed to replace in whole or in part an arm or a leg.

(ii) "Prosthetic device" does not include an orthotic device.

(2) (a) Beginning January 1, 2011, an insurer, other than an insurer described in Subsection (2)(b), that provides a health benefit plan shall offer at least one plan, in each market where the insurer offers a health benefit plan, that provides coverage for benefits for prosthetics that includes:

(i) a prosthetic device;

(ii) all services and supplies necessary for the effective use of a prosthetic device, including:

(A) formulating its design;

(B) fabrication;

(C) material and component selection;

(D) measurements and fittings;

(E) static and dynamic alignments; and

(F) instructing the patient in the use of the prosthetic device;

(iii) all materials and components necessary to use the prosthetic device; and

(iv) any repair or replacement of a prosthetic device that is determined medically necessary to restore or maintain the ability to complete activities of daily living or essential job-related activities and that is not solely for comfort or convenience.

(b) Beginning January 1, 2011, an insurer that is subject to Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act, shall offer to a covered employer at least one plan that:

57 (i) provides coverage for prosthetics that complies with Subsections (2)(a)(i) through
 58 (iv); and

59 (ii) requires an employee who elects to purchase the coverage described in Subsection
 60 (2)(b)(i) to pay an increased premium to pay the costs of obtaining that coverage.

61 (c) At least one of the plans with the prosthetic benefits described in Subsections (2)(a)
 62 and (b) that is offered by an insurer described in this Subsection (2) shall have a coinsurance
 63 rate, that applies to physical injury generally and to prosthetics, of 80% to be paid by the
 64 insurer and 20% to be paid by the insured, if the prosthetic benefit is obtained from a person
 65 that the insurer contracts with or approves.

65a (d) For policies issued on or after July 1, 2010 until July 1, 2015, an insurer is exempt from the
 65b 30% index rating restrictions in Section 31A-30-106.1, and for the first year only that coverage under
 65c this section is chosen, the 15% annual adjustment restriction in Section 31A-30-106.1, for any small
 65d employer with 20 or less enrolled employees who chooses coverage that meets or exceeds the coverage
 65e under this section.

66 (3) The coverage described in this section:

67 (a) shall, except as otherwise provided in this section, be made subject to cost-sharing
 68 provisions, including dollar limits, deductibles, copayments, and co-insurance, that are not less
 69 favorable to the insured than the cost-sharing provisions of the health benefit plan that apply to
 70 physical illness generally; and

71 (b) may limit coverage for the purchase, repair, or replacement of a microprocessor
 72 component for a prosthetic device to ~~50,000~~ \$30,000 ~~50,000~~ , per limb, every three years.

73 (4) If the coverage described in this section is provided through a managed care plan,
 74 offered under Chapter 8, Health Maintenance Organizations and Limited Health Plans, or
 75 under a preferred provider plan under this chapter, the insured shall have access to medically
 76 necessary prosthetic clinical care, and to prosthetic devices and technology, from one or more
 77 prosthetic providers in the managed care plan's provider network.

H.B. 66 2nd Sub. (Gray) - Prosthetic Limb Health Insurance Parity

Fiscal Note

2010 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Local governments may have increased costs for medical insurance. Individuals may benefit from by requiring coverage of prosthetic devices to health insurance providers. Individuals who purchase health insurance may experience increased costs. Businesses may be impacted due to required coverage of prosthetic devices for individuals.
