

**Representative Edward H. Redd** proposes the following substitute bill:

**PILOT PROGRAM TO STUDY COVERAGE PARITY FOR AMINO  
ACID-BASED FORMULA**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Edward H. Redd**

Senate Sponsor: Brian E. Shiozawa

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**LONG TITLE**

**General Description:**

This bill amends the Insurance Code.

**Highlighted Provisions:**

This bill:

- ▶ provides definitions;
- ▶ requires the Public Employees' Health Plan to create a 3-year pilot program in the state employees' risk pool to cover amino acid-based elemental formula for the diagnosis or treatment of an eosinophilic gastrointestinal disorder, food protein-induced enterocolitis syndrome, severe protein allergic condition, or short bowel syndrome;
  - ▶ limits coverage to formula ordered by a physician and obtained from a pharmacy;
  - ▶ prohibits cost sharing for elemental formula that is less favorable to the insured than cost sharing for prescription drugs; and
  - ▶ requires a report on the pilot program to the Social Services Appropriations Subcommittee.

**Money Appropriated in this Bill:**

None



26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 ENACTS:

30 **49-20-414**, Utah Code Annotated 1953



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

32 Section 1. Section **49-20-414** is enacted to read:

33 **49-20-414. Insurance coverage for amino acid-based formula.**

34 (1) As used in this section:

35 (a) "Amino acid-based elemental formula" means a nutrition formula:

36 (i) made from individual nonallergenic amino acids that are broken down to enhance  
37 absorption and digestion; and

38 (ii) designed for individuals who have a dysfunctional or shortened gastrointestinal  
39 tract and are unable to tolerate and absorb whole foods or formulas composed of whole  
40 proteins, fats, or carbohydrates.

41 (b) "Eosinophilic gastrointestinal disorder" means a disorder characterized by having  
42 above normal amounts of eosinophils in one or more specific places anywhere in the digestive  
43 system.

44 (c) "Food protein-induced enterocolitis syndrome" means a disorder characterized by  
45 an abnormal immune response to an ingested food, resulting in gastrointestinal inflammation.

46 (d) "Health insurer" means an insurer, as defined in Subsection 31A-22-634(1).

47 (e) "Order" means to communicate orally, in writing, or by electronic means.

48 (f) "Pharmacy" means a pharmacy licensed under Title 58, Chapter 17b, Pharmacy  
49 Practice Act.

50 (g) "Physician" means an individual who is licensed under Title 58, Chapter 67, Utah  
51 Medical Practice Act, or Title 58, Chapter 68, Utah Osteopathic Medical Practice Act.

52 (h) "Program" means the eosinophilic gastrointestinal disorder program created in  
53 Subsection (2).

54 (i) "Severe protein allergic conditions" includes:

55 (i) eosinophilic esophagitis;

- 57 (ii) eosinophilic gastritis;  
 58 (iii) eosinophilic gastroenteritis;  
 59 (iv) eosinophilic enteritis;  
 60 (v) eosinophilic colitis; or  
 61 (vi) food protein-induced enterocolitis syndrome.  
 62 (j) "Short bowel syndrome" means malabsorption of nutrients resulting from  
 63 anatomical or functional loss of a significant length of the small intestine.

64 (2) Beginning plan year 2017-18 and ending plan year 2019-20, the Public Employees'  
 65 Benefit and Insurance Program shall offer a 3-year pilot program within the state risk pool that  
 66 provides coverage for the use of an amino acid-based elemental formula, regardless of the  
 67 delivery method of the formula, for the diagnosis or treatment of an eosinophilic  
 68 gastrointestinal disorder, food protein-induced enterocolitis syndrome, severe protein allergic  
 69 condition, or short bowel syndrome ~~↗~~ **↗ in the traditional and Star plans ↖** .

70 (3) Coverage offered under Subsection (2) applies to an amino acid-based elemental  
 71 formula if:

- 72 (a) the formula is ordered for the enrollee by a physician;  
 73 (b) the physician indicates in the order that the formula is medically necessary; and  
 74 (c) the insured obtains the formula from a pharmacy.

75 (4) Coverage offered under Subsection (2) may not include cost-sharing provisions,  
 76 including deductibles, copayments, co-insurance, and out-of-pocket limits, or a durational  
 77 limit, that are less favorable to the insured than the cost-sharing provisions and durational  
 78 limits applied by the health benefit plan to prescription drugs.

79 (5) (a) The purpose of the program is to study the efficacy of providing coverage for  
 80 the use of an amino acid-based elemental formula and is not a mandate for coverage of an  
 81 amino acid-based elemental formula within the health plans offered by the Public Employees'  
 82 Benefit and Insurance Program.

83 (b) The Public Employees' Benefit and Insurance Program shall, on or before  
 84 November 30, 2019, report to the Social Services Appropriations Subcommittee regarding the  
 85 costs and benefits of the program.

86 (6) Under Section 63J-1-603 of the Utah Code, the Legislature intends that the cost of  
 87 ~~↗~~ **↗** [services for the amino acid-based elemental formula program in Section 49-20-411] the  
 87a program ~~↖~~ **↖** shall be

88 paid for from funds above the minimum recommended level in the public employees' state risk  
89 pool reserve.