

1 **COVERAGE PARITY FOR AMINO ACID-BASED FORMULA**

2 2017 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Edward H. Redd**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill amends the Insurance Code.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ provides definitions;
- 13 ▶ requires a health insurer to offer at least one plan that covers amino acid-based

14 elemental formula for the diagnosis or treatment of an eosinophilic gastrointestinal
15 disorder, food protein-induced enterocolitis syndrome, severe protein allergic
16 condition, or short bowel syndrome;

- 17 ▶ limits coverage to formula ordered by a physician and obtained from a pharmacy;

18 and

19 ▶ prohibits cost sharing for elemental formula that is less favorable to the insured than
20 cost sharing for prescription drugs.

21 **Money Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 ENACTS:

27 **31A-22-623.5**, Utah Code Annotated 1953



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

Section 1. Section **31A-22-623.5** is enacted to read:

31A-22-623.5. Insurance coverage for amino acid-based formula.

(1) As used in this section:

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

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

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

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

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

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

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

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

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

(h) "Severe protein allergic conditions" includes:

(i) eosinophilic esophagitis;

(ii) eosinophilic gastritis;

(iii) eosinophilic gastroenteritis;

(iv) eosinophilic enteritis;

(v) eosinophilic colitis;

(vi) immunoglobulin E-mediated allergies to multiple food proteins;

(vii) nonimmunoglobulin E-mediated allergies to multiple food proteins; or

(viii) food protein-induced enterocolitis syndrome.

59 (i) "Short bowel syndrome" means malabsorption of nutrients resulting from
60 anatomical or functional loss of a significant length of the small intestine.

61 (2) A health insurer shall offer to a potential purchaser at least one health benefit plan
62 that provides coverage for the use of an amino acid-based elemental formula, regardless of the
63 delivery method of the formula, for the diagnosis or treatment of an eosinophilic
64 gastrointestinal disorder, food protein-induced enterocolitis syndrome, severe protein allergic
65 condition, or short bowel syndrome.

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

68 (a) the formula is ordered for the enrollee by a physician;

69 (b) the physician indicates in the order that the formula is medically necessary; and

70 (c) the insured obtains the formula from a pharmacy.

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

Legislative Review Note
Office of Legislative Research and General Counsel