

Regular Session, 2008

HOUSE BILL NO. 318

BY REPRESENTATIVES KLECKLEY, ARNOLD, AUSTIN BADON, BOBBY BADON, BARROW, BILLIOT, BURRELL, CARMODY, DANAHAY, EDWARDS, FRANKLIN, GALLOT, GEYMAN, HAZEL, HENDERSON, HINES, HONEY, MICHAEL JACKSON, JOHNSON, SAM JONES, LAFONTA, LEBAS, LEGER, MARCHAND, MONTOUCET, MORRELL, MORRIS, NORTON, PERRY, PETERSON, RICHARDSON, ROY, SIMON, PATRICIA SMITH, ST. GERMAIN, TALBOT, WILLIAMS, AND WILLMOTT

INSURANCE/HEALTH: Requires health insurance coverage of prosthetic devices and prosthetic services

1 AN ACT

2 To enact R.S. 22:215.26, relative to health insurance; to require health insurance policies,
3 contracts, and plans, including health maintenance contracts and agreements, to
4 provide coverage of prosthetic devices and prosthetic services; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:215.26 is hereby enacted to read as follows:

8 §215.26. Requirement for coverage of prosthetic devices and prosthetic services

9 A. Any health coverage plan specified in Subsection H of this Section which
10 is issued for delivery, delivered, renewed, or otherwise contracted for in this state on
11 or after January 1, 2009, shall provide coverage of prosthetic devices and prosthetic
12 services as further provided in this Section.

13 B. Eligibility and limits of coverage for prosthetic devices and prosthetic
14 services shall be determined by the health coverage plan, based on medical necessity.
15 Any denial or limit of coverage based on lack of medical necessity may be appealed
16 in accordance with R.S. 22:3070 et seq. Such medical necessity determination shall
17 consider information and recommendation from the treating physician in
18 consultation with the insured, including the results of a functional limit test. Such
19 test shall consider but not be limited to the following factors:

1 (1) The insured's past history, including prior use of prosthetic devices if
2 applicable.

3 (2) The insured's current condition, including the status of the residual limb
4 and the nature of other medical problems.

5 (3) The insured's desire to ambulate, with respect to lower limb prosthetic
6 devices, or maximize upper limb function, with respect to upper limb prosthetic
7 devices.

8 C. A health coverage plan may require prior authorization for prosthetic
9 devices and prosthetic services in the same manner that prior authorization is
10 required for any other covered benefit.

11 D. A health coverage plan may impose co-payments, deductibles, or
12 coinsurance amounts on prosthetic devices and prosthetic services. The co-payments
13 shall not be greater than the co-payments that apply to other benefits under the plan.
14 The repair and replacement of prosthetic devices also shall be covered subject to co-
15 payments, coinsurance, and deductibles that are no more restrictive than the co-
16 payments, coinsurance, and deductibles that apply to other benefits under the plan,
17 unless necessitated by misuse or loss.

18 E. A health coverage plan shall include a requirement that prosthetic devices
19 be provided by an accredited facility and a requirement that prosthetic services be
20 prescribed by a licensed physician and provided by an accredited facility.

21 F. Coverage of prosthetic devices and prosthetic services may be made
22 subject to but no more restrictive than the provisions of a health coverage plan that
23 apply to other benefits under the plan.

24 G.(1) A health coverage plan may apply an annual limit of benefits payable
25 under this Section of no less than fifty thousand dollars per limb.

26 (2) This Subsection does not prohibit a health benefit plan from providing
27 coverage that is greater or more favorable to an insured than the requirements of this
28 Subsection.

1 (3) An insured may choose a prosthetic device that is priced higher than the
2 benefit payable under the health benefit plan and may pay the difference between the
3 price of the device and the benefit payable, without financial or contractual penalty
4 to the provider of the device.

5 H. As used in the Section:

6 (1) "Accredited facility" means any entity that is accredited by the American
7 Board for Certification in Orthotics and Prosthetics, Inc. (ABC) or by the Board for
8 Orthotist/Prosthetist Certification (BOC) and that provides prosthetic devices or
9 prosthetic services.

10 (2) "Health coverage plan" shall mean any hospital, health, or medical
11 expense insurance policy, hospital or medical service contract, employee welfare
12 benefit plan, contract or agreement with a health maintenance organization or a
13 preferred provider organization, health and accident insurance policy, or any other
14 insurance contract of this type, including a group insurance plan and the Office of
15 Group Benefits programs.

16 (3) "Prosthetic device" or "prosthesis" means an artificial limb designed to
17 maximize function, stability, and safety of the patient. Prosthetic device or
18 prosthesis also means an artificial medical device that is not surgically implanted and
19 that is used to replace a missing limb. The term does not include artificial eyes, ears,
20 noses, dental appliances, ostomy products, or devices such as eyelashes or wigs.

21 (4) "Prosthetic services" means the science and practice of evaluating,
22 measuring, designing, fabricating, assembling, fitting, aligning, adjusting, or
23 servicing of a prosthesis through the replacement of external parts of a human body
24 lost due to amputation or congenital deformities to restore function, cosmesis, or
25 both. It shall also include any medically necessary clinical care.

26 I. The provisions of this Section shall not apply to individually underwritten,
27 guaranteed renewable limited benefit health insurance policies.

28 Section 2. This Act shall become effective upon signature by the governor or, if not
29 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
3 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Kleckley

HB No. 318

Abstract: Requires health insurance coverage of prosthetic devices and prosthetic services. Requires parity for such coverage with other benefits provided under the plan, including co-payments, coinsurance, and deductibles; however, authorizes an annual limit of no less than \$50,000 per limb.

Proposed law requires that any health coverage plan issued for delivery, delivered, renewed, or otherwise contracted for in this state on or after Jan. 1, 2009, provide coverage for prosthetic devices and prosthetic services. Provides that eligibility and limits for such coverage shall be determined by the health coverage plan based on medical necessity. Specifies that such determination shall consider information and recommendation from the treating physician in consultation with the insured, including the results of a functional limit test considering the insured's past history, current condition, and desire to ambulate.

Proposed law allows a plan to require prior authorization for prosthetic devices and services in the same manner that prior authorization is required for any other covered benefit. Authorizes a plan to impose co-payments or deductibles on prosthetic devices and prosthetic services and for repair and replacement of prosthetic devices, but requires that such amounts not be greater or more restrictive than the co-payments and deductibles that apply to other benefits under the plan, unless repair and replacement are necessitated by misuse or loss.

Proposed law requires a plan to include a requirement that prosthetic devices be provided by an accredited facility and that prosthetic services be prescribed by a licensed physician and provided by an accredited facility.

Proposed law requires that coverage of prosthetic devices be no more restrictive than the provisions of a health coverage plan that apply to other benefits. However, authorizes a health coverage plan to apply an annual limit of no less than \$50,000 per limb on such coverage. Further authorizes an insured to choose a prosthetic device that is priced higher than this benefit and to pay the difference between the price of the device and the benefit payable, without financial or contractual penalty to the provider of the device.

Proposed law defines "health coverage plan" as any hospital, health, or medical expense insurance policy, hospital or medical service contract, employee welfare benefit plan, contract or agreement with a health maintenance organization or a preferred provider organization, health and accident insurance policy, or any other insurance contract of this type, including a group insurance plan and the Office of Group Benefits programs.

Proposed law also defines "accredited facility" as any entity that is accredited by the American Board for Certification in Orthotics and Prosthetics, Inc., or by the Board for Orthotist/Prosthetist Certification and that provides prosthetic devices or prosthetic services. Further defines "accredited facility", "prosthetic devices", and "prosthetic services".

Proposed law specifies that it shall not apply to individually underwritten, guaranteed renewable limited benefit health insurance policies.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 22:215.26)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the original bill.

1. Makes eligibility and limits of coverage determinable by the health coverage plan based on medical necessity.
2. Deletes requirement that a health coverage plan contain a provision that prosthetic devices be obtained from not less than two distinct accredited facilities in that plan's provider network.
3. Deletes provision prohibiting a health coverage plan from imposing any annual or lifetime dollar maximum. Instead authorizes a plan to apply an annual limit of no less than \$50,000 per limb; however, authorizes an insured to choose a prosthetic device that is priced higher and to pay the difference.