

HB 1160 -- HEALTH INSURANCE

SPONSOR: Parker

COMMITTEE ACTION: Voted "do pass" by the Committee on Financial Services by a vote of 19 to 0.

This bill changes the law regarding health insurance coverage for phenylketonuria and any inherited disease of amino and organic acids.

Currently, this type of health insurance coverage must be provided for a patient who is covered and is less than six years of age. The bill repeals the requirement that a patient be less than six years of age.

In addition, current law requires the insured to be responsible for a reasonable co-insurance or copayment which would not exceed 50% of the cost of formula and food products used to treat the diseases. The bill repeals this provision.

The bill also prohibits the insured from being subject to any greater deductible or copayment than other similar health care services provided by the policy, contract, or plan.

FISCAL NOTE: No impact on General Revenue Fund in FY 2005, FY 2006, and FY 2007. Estimated income on Other State Funds of \$8,000 in FY 2005, \$0 in FY 2006, and \$0 in FY 2007.

PROPOSERS: Supporters say that these diseases are life-long illnesses, not something that affects only children, as was the theory 40 years ago. Without the prescribed formula and low-protein modified food products, people with these diseases suffer irreparable brain damage and, ultimately, death. Adults who don't get the formula and special foods will slowly lose their mental capacity and must be institutionalized, costing the state much more than the formula and special foods. Formula alone for one child costs more than \$1,000 a month, and specially prepared foods generally cost five to eight times more than regular food. This forces many families to sell their home and assets in order to be eligible for Medicaid. A change to the law in 2002 has been interpreted to cut off coverage for formula at age six, but that was never the intent and must be corrected.

Testifying for the bill were Representative Deeken; Aimee Jokerst; Amy Conant; Lois Kidwell; Ed Madden; and Marcia Hubbard.

OPPOSERS: Those who oppose the bill say that insurance companies are opposed to any kind of additional mandated health insurance coverage.

Testifying against the bill was Blue Cross/Blue Shield.

OTHERS: Others testifying on the bill say the insurance industry did not intend for anyone to lose coverage for formula after age six. In fact, no insurer is interpreting the change in that fashion. The only entities interpreting it that way are the departments of Social Services and Transportation.

Others testifying on the bill was United Healthcare.

Richard Smreker, Senior Legislative Analyst