

Regular Session, 2008

HOUSE BILL NO. 318

BY REPRESENTATIVE KLECKLEY

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. Limits of coverage for prosthetic devices and prosthetic services shall be
14 determined by a functional limit test for medical necessity. The potential functional
15 ability of the patient shall be determined by the treating physician or accredited
16 facility, in consultation with the patient, considering factors including but not limited
17 to the following:

18 (1) The patient's past history, including prior use of prosthetic devices if
19 applicable.

20 (2) The patient's current condition, including the status of the residual limb
21 and the nature of other medical problems.

1 (3) The patient's desire to ambulate, with respect to lower limb prosthetic
2 devices, or maximize upper limb function, with respect to upper limb prosthetic
3 devices.

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

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

14 E. A health coverage plan shall include a requirement that prosthetic devices
15 be provided by an accredited facility and a requirement that prosthetic services be
16 prescribed by a licensed physician and provided by an accredited facility. A health
17 coverage plan shall contain a provision that prosthetic devices may be obtained from
18 not less than two distinct accredited facilities in the plan's provider network.

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

22 G. A health coverage plan shall not impose any annual or lifetime dollar
23 maximum on coverage for prosthetic devices or prosthetic services other than an
24 annual or lifetime dollar maximum that applies in the aggregate to all terms and
25 services covered under the policy.

26 H. As used in the Section:

27 (1) "Accredited facility" means any entity that is accredited by the American
28 Board for Certification in Orthotics and Prosthetics, Inc. (ABC) or by the Board for

1 Orthotist/Prosthetist Certification (BOC) and that provides prosthetic devices or
2 prosthetic services.

3 (2) "Health coverage plan" shall mean any hospital, health, or medical
4 expense insurance policy, hospital or medical service contract, employee welfare
5 benefit plan, contract or agreement with a health maintenance organization or a
6 preferred provider organization, health and accident insurance policy, or any other
7 insurance contract of this type, including a group insurance plan, a self-insurance
8 plan, and the Office of Group Benefits programs.

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

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

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

21 Section 2. This Act shall become effective upon signature by the governor or, if not
22 signed by the governor, upon expiration of the time for bills to become law without signature
23 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
24 vetoed by the governor and subsequently approved by the legislature, this Act shall become
25 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, deductibles, and annual or lifetime dollar maximums on coverage.

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 limits of such coverage shall be determined by a functional limit test for medical necessity, including the patient'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. Requires that a plan contain a provision that prosthetic devices be obtained from not less than two distinct accredited facilities in the plan's provider network.

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. Prohibits an insurer from imposing an annual or lifetime dollar maximum on coverage for prosthetic devices or services other than an annual or lifetime dollar maximum that applies to all terms and services covered under the policy.

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, a self-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)