

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 163

Introduced by Assembly Member Emmerson
(Coauthor: Assembly Member Monning)

January 27, 2009

An act to add Section 1367.27 to the Health and Safety Code, and to add Section 10123.197 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 163, as amended, Emmerson. Amino acid-based elemental formulas.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance.

This bill would require specified health care service plan contracts and health insurance policies to provide coverage for the use of amino acid-based elemental formulas, regardless of the delivery method, for the diagnosis and treatment of eosinophilic gastrointestinal disorders, as defined, when the prescribing physician has issued a written order stating that the amino acid-based elemental formula is medically necessary.

Because a willful violation of the bill's provisions relative to health care service plans would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1367.27 is added to the Health and Safety
2 Code, to read:

3 1367.27. (a) Every health care service plan contract, except a
4 specialized health care service plan contract, that is issued,
5 amended, or renewed on or after January 1, 2010, that provides
6 coverage for hospital, medical, or surgical expenses shall provide
7 coverage for the use of amino acid-based elemental formulas,
8 regardless of the delivery method, for the diagnosis and treatment
9 of eosinophilic gastrointestinal disorders when the prescribing
10 physician has issued a written order stating that the amino
11 acid-based elemental formula is medically necessary.

12 (b) For purposes of this section, “eosinophilic gastrointestinal
13 disorders” means disorders that are characterized by having above
14 normal amounts of eosinophils, a type of white blood cell, in the
15 digestive system.

16 SEC. 2. Section 10123.197 is added to the Insurance Code, to
17 read:

18 10123.197. (a) Every health insurance policy issued, amended,
19 or renewed on or after January 1, 2010, that provides coverage for
20 hospital, medical, or surgical expenses shall provide coverage for
21 the use of amino acid-based elemental formulas, regardless of the
22 delivery method, for the diagnosis and treatment of eosinophilic
23 gastrointestinal disorders when the prescribing physician has issued
24 a written order stating that the amino acid-based elemental formula
25 is medically necessary.

26 (b) For purposes of this section, “eosinophilic gastrointestinal
27 disorders” means disorders that are characterized by having above
28 normal amounts of eosinophils, a type of white blood cell, in the
29 digestive system.

1 ~~(c) This section shall not apply to Medicare supplement,~~
2 ~~short-term limited duration health insurance, vision-only,~~
3 ~~dental-only, or CHAMPUS supplement insurance, or to hospital~~
4 ~~indemnity, hospital-only, accident-only, or specified disease~~
5 ~~insurance that does not pay benefits on a fixed benefit, cash~~
6 ~~payment only basis.~~

7 *(c) This section shall not apply to specialized health insurance,*
8 *Medicare supplement insurance, short-term limited duration health*
9 *insurance, CHAMPUS supplement insurance, or TRICARE*
10 *supplement insurance, or to hospital indemnity, hospital-only,*
11 *accident-only, or specified disease insurance.*

12 SEC. 3. No reimbursement is required by this act pursuant to
13 Section 6 of Article XIII B of the California Constitution because
14 the only costs that may be incurred by a local agency or school
15 district will be incurred because this act creates a new crime or
16 infraction, eliminates a crime or infraction, or changes the penalty
17 for a crime or infraction, within the meaning of Section 17556 of
18 the Government Code, or changes the definition of a crime within
19 the meaning of Section 6 of Article XIII B of the California
20 Constitution.