AMENDED IN SENATE APRIL 27, 2010

SENATE BILL No. 1104

Introduced by Senator Cedillo

February 17, 2010

An act to amend Section 1367.51 of the Health and Safety Code, and to amend Section 10176.61 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1104, as amended, Cedillo. Health care coverage: diabetes-related complications.

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 also provides for the regulation of health insurers by the Department of Insurance. Existing law requires specified health care service plan contracts and health insurance policies to provide coverage for certain equipment, supplies, and medications for the treatment of diabetes, including podiatric devices to prevent or treat diabetes-related complications. Existing law also requires a plan or insurer to provide coverage for diabetes outpatient self-management training, education, and medical nutrition therapy necessary to enable an enrollee or insured to properly use the equipment, supplies, and medications.

This bill would require health care service plan contracts and health insurance policies to also provide coverage for the diagnosis and treatment of diabetes-related complications, as ~~specified~~ *defined*. Because a willful violation of this requirement by a health care service

plan 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:

SECTION 1. Section 1367.51 of the Health and Safety Code is amended to read:

1367.51. (a) Every health care service plan contract, except a specialized health care service plan contract, that is issued, amended, delivered, or renewed on or after January 1, 2000, and that covers hospital, medical, or surgical expenses shall include coverage for the following equipment and supplies for the management and treatment of insulin-using diabetes, non-insulin-using diabetes, and gestational diabetes as medically necessary, even if the items are available without a prescription:

(1) Blood glucose monitors and blood glucose testing strips.

(2) Blood glucose monitors designed to assist the visually impaired.

(3) Insulin pumps and all related necessary supplies.

(4) Ketone urine testing strips.

(5) Lancets and lancet puncture devices.

(6) Pen delivery systems for the administration of insulin.

(7) Podiatric devices to prevent or treat diabetes-related complications.

(8) Insulin syringes.

(9) Visual aids, excluding eyewear, to assist the visually impaired with proper dosing of insulin.

(b) Every health care service plan contract, except a specialized health care service plan contract, that is issued, amended, delivered, or renewed on or after January 1, 2000, that covers prescription benefits shall include coverage for the following prescription items if the items are determined to be medically necessary:

(1) Insulin.

(2) Prescription medications for the treatment of diabetes.

(3) Glucagon.

(c) Every health care service plan contract, except a specialized health care service plan contract, that is issued, amended, delivered, or renewed on or after January 1, 2011, and that covers hospital, medical, or surgical expenses, shall provide coverage for the diagnosis and treatment of diabetes-related complications. With respect to contracts that cover prescription benefits, the coverage required by this subdivision shall include coverage of prescription medications for the treatment of diabetes-related complications. *Nothing in this subdivision shall be construed to require a health care service plan contract that does not provide an outpatient pharmacy benefit to provide that benefit.* For purposes of this subdivision, "diabetes-related ~~complications" includes, but is not limited to, diabetic peripheral neuropathy.~~ *complications" means any conditions of a diabetic patient for which diabetes is a major risk factor.*

(d) The copayments and deductibles for the benefits specified in subdivisions (a), (b), and (c) shall not exceed those established for similar benefits within the given plan.

(e) Every plan shall provide coverage for diabetes outpatient self-management training, education, and medical nutrition therapy necessary to enable an enrollee to properly use the equipment, supplies, and medications set forth in subdivisions (a) and (b), and additional diabetes outpatient self-management training, education, and medical nutrition therapy upon the direction or prescription of those services by the enrollee's participating physician. If a plan delegates outpatient self-management training to contracting providers, the plan shall require contracting providers to ensure that diabetes outpatient self-management training, education, and medical nutrition therapy are provided by appropriately licensed or registered health care professionals.

(f) The diabetes outpatient self-management training, education, and medical nutrition therapy services identified in subdivision (e) shall be provided by appropriately licensed or registered health care professionals as prescribed by a participating health care professional legally authorized to prescribe the service. These benefits shall include, but not be limited to, instruction that will enable diabetic patients and their families to gain an understanding of the diabetic disease process, and the daily management of

diabetic therapy, in order to thereby avoid frequent hospitalizations and complications.

(g) The copayments for the benefits specified in subdivision (e) shall not exceed those established for physician office visits by the plan.

(h) Every health care service plan governed by this section shall disclose the benefits covered pursuant to this section in the plan's evidence of coverage and disclosure forms.

(i) A health care service plan may not reduce or eliminate coverage as a result of the requirements of this section.

(j) Nothing in this section shall be construed to deny or restrict in any way the department's authority to ensure plan compliance with this chapter when a plan provides coverage for prescription drugs.

SEC. 2. Section 10176.61 of the Insurance Code is amended to read:

10176.61. (a) Every insurer issuing, amending, delivering, or renewing a health insurance policy on or after January 1, 2000, shall include coverage for the following equipment and supplies for the management and treatment of insulin-using diabetes, non-insulin-using diabetes, and gestational diabetes as medically necessary, even if the items are available without a prescription:

(1) Blood glucose monitors and blood glucose testing strips.

(2) Blood glucose monitors designed to assist the visually impaired.

(3) Insulin pumps and all related necessary supplies.

(4) Ketone urine testing strips.

(5) Lancets and lancet puncture devices.

(6) Pen delivery systems for the administration of insulin.

(7) Podiatric devices to prevent or treat diabetes-related complications.

(8) Insulin syringes.

(9) Visual aids, excluding eyewear, to assist the visually impaired with proper dosing of insulin.

(b) Every insurer issuing, amending, delivering, or renewing a health insurance policy on or after January 1, 2000, that covers prescription benefits shall include coverage for the following prescription items if the items are determined to be medically necessary:

(1) Insulin.

(2) Prescription medications for the treatment of diabetes.

(3) Glucagon.

(c) Every health insurance policy that is issued, amended, delivered, or renewed on or after January 1, 2011, shall provide coverage for the diagnosis and treatment of diabetes-related complications. With respect to policies that cover prescription benefits, the coverage required by this subdivision shall include coverage of prescription medications for the treatment of diabetes-related complications. *Nothing in this subdivision shall be construed to require a health insurance policy that does not provide an outpatient pharmacy benefit to provide that benefit.* For purposes of this subdivision, "diabetes-related complications" ~~includes, but is not limited to, diabetic peripheral neuropathy.~~ *means any conditions of a diabetic patient for which diabetes is a major risk factor.*

(d) The coinsurances and deductibles for the benefits specified in subdivisions (a), (b), and (c) shall not exceed those established for similar benefits within the given policy.

(e) Every health insurer shall provide coverage for diabetes outpatient self-management training, education, and medical nutrition therapy necessary to enable an insured to properly use the equipment, supplies, and medications set forth in subdivisions (a) and (b) and additional diabetes outpatient self-management training, education, and medical nutrition therapy upon the direction or prescription of those services by the insured's participating physician. If a health insurer delegates outpatient self-management training to contracting providers, the insurer shall require contracting providers to ensure that diabetes outpatient self-management training, education, and medical nutrition therapy are provided by appropriately licensed or registered health care professionals.

(f) The diabetes outpatient self-management training, education, and medical nutrition therapy services identified in subdivision (e) shall be provided by appropriately licensed or registered health care professionals as prescribed by a health care professional legally authorized to prescribe the services.

(g) The coinsurances and deductibles for the benefits specified in subdivision (e) shall not exceed those established for physician office visits by the insurer.

(h) Every health insurer governed by this section shall disclose the benefits covered pursuant to this section in the insurer's evidence of coverage and disclosure forms.

(i) A health insurer may not reduce or eliminate coverage as a result of the requirements of this section.

(j) This section does not apply to vision-only, dental-only, accident-only, specified disease, hospital indemnity, Medicare supplement, long-term care, or disability income insurance, except that for accident-only, specified disease, and hospital indemnity insurance coverage, benefits under this section only apply to the extent that the benefits are covered under the general terms and conditions that apply to all other benefits under the policy. Nothing in this section may be construed as imposing a new benefit mandate on accident-only, specified disease, or hospital indemnity insurance.

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

O