



2013 ASSEMBLY BILL 920

April 3, 2014 – Introduced by Representatives SARGENT, HESSELBEIN, KAHL, WACHS, C. TAYLOR, OHNSTAD and BERCEAU, cosponsored by Senators HARRIS, RISSER and LASSA. Referred to Committee on Health.

1 **AN ACT to amend** 111.91 (2) (n); and **to create** 609.885 and 632.895 (14m) of the
2 statutes; **relating to:** requiring health insurance coverage of
3 amino-acid-based elemental formulas.

Analysis by the Legislative Reference Bureau

This bill requires health insurance policies and plans that cover prescription medication to cover amino-acid-based elemental formulas (formulas) that are used for the diagnosis or treatment of certain specified allergies and gastrointestinal tract disorders, as well as medically necessary services to administer the formulas. The coverage is required only if a physician has diagnosed the insured or enrollee with one of the specified allergies or gastrointestinal tract disorders and has issued a written prescription for the formula for the treatment of the insured or enrollee.

The coverage requirement applies to both individual and group health insurance policies and plans, including defined network plans and health care plans operated by cooperative associations; to health care plans offered by the state to its employees, including a self-insured plan; and to self-insured health plans of counties, cities, towns, villages, and school districts. The requirement specifically does not apply to limited-scope benefit plans, to policies covering only certain specified diseases, to medicare replacement or supplement policies, or to long-term care insurance policies. The required coverage may not be subject to any limitations, exclusions, or cost-sharing provisions that do not apply generally under the policy or plan to coverage of prescription medication or services for its administration.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 111.91 (2) (n) of the statutes is amended to read:

2 111.91 (2) (n) The provision to employees of the health insurance coverage
3 required under s. 632.895 (11) to ~~(14)~~, (14) and (16), ~~(16m)~~, and to (17).

4 **SECTION 2.** 609.885 of the statutes is created to read:

5 **609.885 Coverage of amino-acid-based elemental formulas.** Defined
6 network plans are subject to 632.895 (14m).

7 **SECTION 3.** 632.895 (14m) of the statutes is created to read:

8 632.895 (14m) AMINO-ACID-BASED ELEMENTAL FORMULAS. (a) Subject to pars. (b)
9 and (c) and except as provided in par. (d), every disability insurance policy, and every
10 self-insured health plan of the state or a county, city, village, town, or school district,
11 that provides coverage of prescription medication shall provide coverage for an
12 insured or enrollee of all of the following:

13 1. Amino-acid-based elemental formulas, regardless of how delivered or
14 administered, that are used for the diagnosis or treatment of any of the following:

15 a. Immunoglobulin-E-mediated and non-immunoglobulin-E-mediated
16 allergies to multiple food proteins.

17 b. Severe food-protein-induced enterocolitis syndrome.

18 c. Eosinophilic disorders, as evidenced by the results of a biopsy.

19 d. Impaired absorption of nutrients caused by disorders affecting the
20 absorptive surface, functional length, and motility of the gastrointestinal tract.

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1 2. Any medically necessary services associated with the delivery or
2 administration of the formulas under subd. 1.

3 (b) The coverage under par. (a) is required only if a physician licensed under
4 ch. 448 has diagnosed the insured or enrollee with a disease or disorder listed in par.

5 (a) 1. and has issued a written prescription for the amino-acid-based elemental
6 formula for the treatment of the insured or enrollee.

7 (c) The coverage required under this subsection may not be subject to any
8 limitations, exclusions, or cost-sharing provisions that do not apply generally under
9 the disability insurance policy or self-insured health plan to coverage of prescription
10 medication or services to deliver or administer the medication.

11 (d) This subsection does not apply to any of the following:

12 1. A disability insurance policy that covers only certain specified diseases.

13 2. A health care plan offered by a limited service health organization, as defined
14 in s. 609.01 (3), or by a preferred provider plan, as defined in s. 609.01 (4), that is not
15 a defined network plan, as defined in s. 609.01 (1b).

16 3. A disability insurance policy, or a self-insured health plan of the state or a
17 county, city, town, village, or school district, that provides only limited-scope dental
18 or vision benefits.

19 4. A medicare replacement policy, a medicare supplement policy, or a long-term
20 care insurance policy.

21 **SECTION 4. Initial applicability.**

22 (1) This act first applies to all of the following:

23 (a) Except as provided in paragraphs (b) and (c), disability insurance policies
24 that are newly issued or renewed, and governmental self-insured health plans that

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1 are newly established, extended, modified, or renewed, on the effective date of this
2 paragraph.

3 (b) Disability insurance policies covering employees who are affected by a
4 collective bargaining agreement containing provisions inconsistent with this act
5 that are newly issued or renewed on the earlier of the following:

6 1. The day on which the collective bargaining agreement expires.

7 2. The day on which the collective bargaining agreement is extended, modified,
8 or renewed.

9 (c) Governmental self-insured health plans covering employees who are
10 affected by a collective bargaining agreement containing provisions inconsistent
11 with this act that are newly established, extended, modified, or renewed on the
12 earlier of the following:

13 1. The day on which the collective bargaining agreement expires.

14 2. The day on which the collective bargaining agreement is extended, modified,
15 or renewed.

16 **SECTION 5. Effective date.**

17 (1) This act takes effect on the first day of the 7th month beginning after
18 publication.

19 (END)