

AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 30

Introduced by Assembly Member Evans

December 4, 2006

An act to add Section 1374.4 to the Health and Safety Code, and to add Section 10123.90 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 30, as amended, Evans. Health care ~~coverage~~. *coverage: inborn errors of metabolism.*

Existing law, the Knox-Keene Health Care Service Plan Act of 1975 (the Knox-Keene Act), 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. Under existing law, a plan and a health insurer are required to provide coverage, as specified, for the testing and treatment of phenylketonuria.

This bill would extend this coverage requirement for health care service plans and insurers, as specified, to inborn errors of metabolism, as defined.

Because the bill would specify an additional requirement under the Knox-Keene Act, the willful violation of which would be a crime, it 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.

~~Existing law does not provide a system of health care coverage for all California residents and does not require employers to provide health care coverage for employees and their families, other than coverage provided as part of the workers' compensation system for work-related employee injuries. Existing law provides for the creation of various programs to provide health care services to persons who have limited incomes and meet various eligibility requirements. These programs include the Healthy Families Program administered by the Managed Risk Medical Insurance Board, and the Medi-Cal program administered by the State Department of Health Care Services. Existing law provides for the regulation of health care service plans by the Department of Managed Health Care and health insurers by the Department of Insurance.~~

~~This bill would declare the intent of the Legislature to provide for reducing costs and improving quality of health care for working Californians and their families by minimizing administrative overhead, assuring that those working Californians and their families receive timely access to appropriate health care, and identifying and reducing health care that is both high cost and low quality.~~

~~Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: ~~no~~-yes.~~

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

- 1 SECTION 1. Section 1374.4 is added to the Health and Safety
- 2 Code, to read:
- 3 1374.4. (a) Every health care service plan contract, except a
- 4 specialized health care service plan contract, issued, amended,
- 5 delivered, or renewed in this state on and after January 1, 2008,
- 6 that provides coverage for hospital, medical, or surgical expenses
- 7 shall provide coverage for the testing and treatment of inborn
- 8 errors of metabolism under the terms and conditions of the plan
- 9 contract.
- 10 (b) Coverage for treatment of inborn errors of metabolism shall
- 11 include those formulas and special food products that are part of
- 12 a diet prescribed by a licensed physician and surgeon and managed

1 *by a health care professional in consultation with a physician and*
2 *surgeon who specializes in the treatment of metabolic disease and*
3 *who participates in, or is authorized by, the plan, if the diet is*
4 *deemed medically necessary to avert the development of serious*
5 *physical or mental disabilities or to promote normal development*
6 *or function as a consequence of inborn errors of metabolism.*

7 *(c) Coverage pursuant to this section is not required except to*
8 *the extent that the cost of the necessary formulas and special food*
9 *products exceeds the cost of a normal diet.*

10 *(d) For purposes of this section, the following definitions shall*
11 *apply:*

12 *(1) "Formula" means an enteral product or enteral products*
13 *for use at home that are prescribed by a physician and surgeon*
14 *or nurse practitioner, or ordered by a registered dietitian upon*
15 *referral by a health care provider authorized to prescribe dietary*
16 *treatments, as medically necessary for the treatment of inborn*
17 *errors of metabolism.*

18 *(2) "Inborn errors of metabolism" means an inheritable*
19 *disorder of biochemistry detected through the California newborn*
20 *screening program.*

21 *(3) "Special food product" means a food product that is both*
22 *of the following:*

23 *(A) Prescribed by a physician and surgeon or nurse practitioner*
24 *for the treatment of inborn errors of metabolism and is consistent*
25 *with the recommendations and best practices of qualified health*
26 *professionals with expertise germane to, and experience in the*
27 *treatment and care of, inborn errors of metabolism. It does not*
28 *include a food that is naturally low in protein, but may include a*
29 *food product that is specially formulated to have less than one*
30 *gram of protein per serving.*

31 *(B) Used in place of normal food products, such as grocery*
32 *store foods, used by the general population.*

33 *(e) A plan that provides the coverage required by this section*
34 *shall be deemed to comply with Section 1374.56.*

35 *SEC. 2. Section 10123.90 is added to the Insurance Code, to*
36 *read:*

37 *10123.90. (a) Every policy of health insurance issued,*
38 *amended, delivered, or renewed in this state on and after January*
39 *1, 2008, that provides coverage for hospital, medical, or surgical*
40 *expenses shall provide coverage for the testing and treatment of*

1 *inborn errors of metabolism under the terms and conditions of the*
2 *policy.*

3 *(b) Coverage for treatment of inborn errors of metabolism shall*
4 *include those formulas and special food products that are part of*
5 *a diet prescribed by a licensed physician and surgeon and managed*
6 *by a health care professional in consultation with a physician and*
7 *surgeon who specializes in the treatment of metabolic disease and*
8 *who participates in, or is authorized by, the insurer, if the diet is*
9 *deemed medically necessary to avert the development of serious*
10 *physical or mental disabilities or to promote normal development*
11 *or function as a consequence of inborn errors of metabolism.*

12 *(c) Coverage pursuant to this section is not required except to*
13 *the extent that the cost of necessary formulas and special food*
14 *products exceeds the cost of a normal diet.*

15 *(d) For purposes of this section, the following definitions shall*
16 *apply:*

17 *(1) "Formula" means an enteral product or enteral products*
18 *for use at home that are prescribed by a physician and surgeon*
19 *or nurse practitioner, or ordered by a registered dietician upon*
20 *referral by a health care provider authorized to prescribe dietary*
21 *treatments, as medically necessary for the treatment of inborn*
22 *errors of metabolism.*

23 *(2) "Inborn errors of metabolism" means an inheritable*
24 *disorder of biochemistry detected through the California newborn*
25 *screening program.*

26 *(3) "Special food product" means a food product that is both*
27 *of the following:*

28 *(A) Prescribed by a physician and surgeon or nurse practitioner*
29 *for the treatment of inborn errors of metabolism and is consistent*
30 *with the recommendations and best practices of qualified health*
31 *professionals with expertise germane to, and experience in the*
32 *treatment and care of, inborn errors of metabolism. It does not*
33 *include a food that is naturally low in protein, but may include a*
34 *food product that is specially formulated to have less than one*
35 *gram of protein per serving.*

36 *(B) Used in place of normal food products, such as grocery*
37 *store foods, used by the general population.*

38 *(e) A health insurer that provides the coverage required by this*
39 *section shall be deemed to comply with Section 10123.89.*

1 (f) This section shall not apply to vision-only, dental-only,
 2 accident-only, specified disease, hospital indemnity, Medicare
 3 supplement, long-term care, or disability income insurance, except
 4 that for accident only, specified disease, or hospital indemnity
 5 coverage, coverage for benefits under this section shall apply to
 6 the extent that the benefits are covered under the general terms
 7 and conditions that apply to all other benefits under the policy or
 8 contract. Nothing in this section shall be construed as imposing
 9 a new benefit mandate on accident only, specified disease, or
 10 hospital indemnity insurance.

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

20 SECTION 1. ~~(a) The Legislature finds and declares that more~~
 21 ~~than six million Californians lack health care coverage and that~~
 22 ~~80 percent of these Californians are members of working families.~~
 23 ~~The Legislature further finds and declares that rising health care~~
 24 ~~costs have limited health care access for both the insured, who~~
 25 ~~must pay higher out-of-pocket costs, and the uninsured, who are~~
 26 ~~sicker, die younger, and face financial ruin due to the lack of health~~
 27 ~~care coverage. Lack of health care coverage is also contributing~~
 28 ~~to increasing health care costs by shifting costs to taxpayers and~~
 29 ~~those employers who pay for health care benefits for employees~~
 30 ~~and their families.~~

31 ~~(b) It is the intent of the Legislature to provide for reducing~~
 32 ~~costs and improving quality of health care for working Californians~~
 33 ~~and their families by minimizing administrative overhead, assuring~~
 34 ~~that working Californians and their families receive timely access~~
 35 ~~to appropriate health care, and identifying and reducing health care~~
 36 ~~that is both high cost and low quality.~~