CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1140

Citations Affected: IC 5-10-8-14; IC 27-8-24.2; IC 27-13-7-19.

Synopsis: Coverage for prosthetic devices. Requires certain coverage for medically necessary orthotic and prosthetic devices under a state employee health plan, a policy of accident and sickness insurance, and a health maintenance organization contract. **(This conference committee report: (1) amends the definition of "orthotic device"; (2) provides that required coverage for orthotic and prosthetic devices applies when certain persons provide the device or perform repair or replacement; (3) requires the same coverage and reimbursement for orthotic and prosthetic devices as the coverage and reimbursement under Medicare, but specifies that the applicable deductibles are not required to be equal to Medicare deductibles; (4) specifies that a prosthetic device and orthotic device lifetime maximum coverage limitation must not be included in and must be equal to the lifetime maximum coverage limitation that applies to other items and services generally under the plan, policy, or contract; and (5) requires that certain deductible, copayment, and coinsurance provisions applying to orthotic and prosthetic devices be no less favorable to a covered individual, insured, or enrollee than deductible, copayment, and coinsurance provisions applying generally under the plan, policy, or contract.)**

Effective: July 1, 2008.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1140 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-10-8-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 14. (a) As used in this section, "covered individual" means an individual who is entitled to coverage under a state employee health plan.**

(b) As used in this section, "orthotic device" means a medically necessary custom fabricated brace or support that is designed as a component of a prosthetic device.

(c) As used in this section, "prosthetic device" means an artificial leg or arm.

(d) As used in this section, "state employee health plan" means a:

(1) self-insurance program established under section 7(b) of this chapter; or

(2) contract with a prepaid health care delivery plan that is entered into or renewed under section 7(c) of this chapter;

to provide group health coverage. The term does not include a dental or vision plan.

(e) A state employee health plan must provide coverage for orthotic devices and prosthetic devices, including repairs or replacements, that:

(1) are provided or performed by a person that is:

(A) accredited as required under 42 U.S.C. 1395m(a)(20); or

(B) a qualified practitioner (as defined in 42 U.S.C. 1395m(h)(1)(F)(iii));

(2) are determined by the covered individual's physician to be medically necessary to restore or maintain the covered individual's ability to perform activities of daily living or essential job related activities; and

(3) are not solely for comfort or convenience.

(f) The:

(1) coverage required under subsection (e) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare program (42 U.S.C. 1395 et seq.); and

(2) reimbursement under the coverage required under subsection (e) must be equal to the reimbursement that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless a different reimbursement rate is negotiated.

This subsection does not require a deductible under a state employee health plan to be equal to a deductible under the federal Medicare program.

(g) Except as provided in subsections (h) and (i), the coverage required under subsection (e):

(1) may be subject to; and

(2) may not be more restrictive than;

the provisions that apply to other benefits under the state employee health plan.

(h) The coverage required under subsection (e) may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit.

(i) Any lifetime maximum coverage limitation that applies to prosthetic devices and orthotic devices:

(1) must not be included in; and

(2) must be equal to;

the lifetime maximum coverage limitation that applies to all other items and services generally under the state employee health plan.

(j) For purposes of this subsection, "items and services" does not include preventive services for which coverage is provided under a high deductible health plan (as defined in 26 U.S.C. 220(c)(2) or 26 U.S.C. 223(c)(2)). The coverage required under subsection (e) may not be subject to a deductible, copayment, or coinsurance provision that is less favorable to a covered individual than the deductible, copayment, or coinsurance provisions that apply to other items and services generally under the state employee health plan.

SECTION 2. IC 27-8-24.2 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 24.2. Coverage for Prosthetic Devices

Sec. 1. As used in this chapter, "insured" means an individual who is entitled to coverage under a policy of accident and sickness insurance.

Sec. 2. As used in this chapter, "orthotic device" means a medically necessary custom fabricated brace or support that is designed as a component of a prosthetic device.

Sec. 3. (a) As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

(b) The term does not include the following:

(1) Accident only, credit, dental, vision, Medicare, Medicare supplement, long term care, or disability income insurance.

(2) Coverage issued as a supplement to liability insurance.

(3) Automobile medical payment insurance.

(4) A specified disease policy.

(5) A limited benefit health insurance policy.

(6) A short term insurance plan that:

(A) may not be renewed; and

(B) has a duration of not more than six (6) months.

(7) A policy that provides a stipulated daily, weekly, or monthly payment to an insured during hospital confinement, without regard to the actual expense of the confinement.

(8) Worker's compensation or similar insurance.

(9) A student health insurance policy.

Sec. 4. As used in this chapter, "prosthetic device" means an artificial leg or arm.

Sec. 5. A policy of accident and sickness insurance must provide coverage for orthotic devices and prosthetic devices, including repairs or replacements, that:

(1) are provided or performed by a person that is:

(A) accredited as required under 42 U.S.C. 1395m(a)(20); or

(B) a qualified practitioner (as defined in 42 U.S.C. 1395m(h)(1)(F)(iii));

(2) are determined by the insured's physician to be medically necessary to restore or maintain the insured's ability to perform activities of daily living or essential job related activities; and

(3) are not solely for comfort or convenience.

Sec. 6. The:

(1) coverage required under section 5 of this chapter must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare program (42 U.S.C. 1395 et seq.); and

(2) reimbursement under the coverage required under section 5 of this chapter must be equal to the reimbursement that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless a different reimbursement rate is negotiated.

This section does not require a deductible under a policy of accident and sickness insurance to be equal to a deductible under the federal Medicare program.

Sec. 7. Except as provided in sections 8 and 9 of this chapter, the coverage required under section 5 of this chapter:

(1) may be subject to; and

(2) may not be more restrictive than;

the provisions that apply to other benefits under the policy of accident and sickness insurance.

Sec. 8. The coverage required under section 5 of this chapter may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit.

Sec. 9. Any lifetime maximum coverage limitation that applies to prosthetic devices and orthotic devices:

(1) must not be included in; and

(2) must be equal to;

the lifetime maximum coverage limitation that applies to all other items and services generally under the policy of accident and sickness insurance.

Sec. 10. For purposes of this section, "items and services" does not include preventive services for which coverage is provided under a high deductible health plan (as defined in 26 U.S.C. 220(c)(2) or 26 U.S.C. 223(c)(2)). The coverage required under section 5 of this chapter may not be subject to a deductible, copayment, or coinsurance provision that is less favorable to an insured than the deductible, copayment, or coinsurance provisions that apply to other items and services generally under the policy of accident and sickness insurance.

SECTION 3. IC 27-13-7-19 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 19. (a) As used in this section, "orthotic device" means a medically necessary custom fabricated brace or support that is designed as a component of a prosthetic device.**

(b) As used in this section, "prosthetic device" means an artificial leg or arm.

(c) An individual contract or a group contract that provides coverage for basic health care services must provide coverage for orthotic devices and prosthetic devices, including repairs or replacements, that:

(1) are provided or performed by a person that is:

(A) accredited as required under 42 U.S.C. 1395m(a)(20); or

(B) a qualified practitioner (as defined in 42 U.S.C. 1395m(h)(1)(F)(iii));

(2) are determined by the enrollee's physician to be medically necessary to restore or maintain the enrollee's ability to perform activities of daily living or essential job related activities; and

(3) are not solely for comfort or convenience.

(d) The:

(1) coverage required under subsection (c) must be equal to the coverage that is provided for the same device, repair, or replacement under the federal Medicare program (42 U.S.C. 1395 et seq.); and

(2) reimbursement under the coverage required under subsection (c) must be equal to the reimbursement that is provided for the same device, repair, or replacement under the federal Medicare reimbursement schedule, unless a different reimbursement rate is negotiated.

This subsection does not require a deductible under an individual contract or a group contract to be equal to a deductible under the federal Medicare program.

(e) Except as provided in subsections (f) and (g), the coverage required under subsection (c):

(1) may be subject to; and

(2) may not be more restrictive than;

the provisions that apply to other benefits under the individual contract or group contract.

(f) The coverage required under subsection (c) may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit.

(g) Any lifetime maximum coverage limitation that applies to prosthetic devices and orthotic devices:

(1) must not be included in; and

(2) must be equal to;

the lifetime maximum coverage limitation that applies to all other items and services generally under the individual contract or group contract.

(h) For purposes of this subsection, "items and services" does not include preventive services for which coverage is provided under a high deductible health plan (as defined in 26 U.S.C. 220(c)(2) or 26 U.S.C. 223(c)(2)). The coverage required under subsection (c) may not be subject to a deductible, copayment, or coinsurance provision that is less favorable to an enrollee than the deductible, copayment, or coinsurance provisions that apply to other items and services generally under the individual contract or group contract.

SECTION 4. [EFFECTIVE JULY 1, 2008] **(a) IC 5-10-8-14, as added by this act, applies to a state employee health plan that is established, entered into, delivered, amended, or renewed after June 30, 2008.**

(b) IC 27-8-24.2, as added by this act, applies to a policy of accident and sickness insurance that is issued, delivered, amended, or renewed after June 30, 2008.

(c) IC 27-13-7-19, as added by this act, applies to an individual contract or a group contract that is entered into, delivered, amended, or renewed after June 30, 2008.

(Reference is to EHB 1140 as reprinted February 27, 2008.)

Conference Committee Report
on
Engrossed House Bill 1140

Signed by:

_____	_____
Representative Fry Chairperson	Senator Dillon
_____	_____
Representative GiaQuinta	Senator Simpson
House Conferees	**Senate Conferees**