

Coverage for Prosthetic and Orthotic Devices

This Bulletin is directed to all insurers issuing policies of accident and sickness insurance, as defined by IC 27-8-5-1, and all health maintenance organizations (HMOs), as defined by IC 27-13-1-19. Recently enacted Ind. Code § 27-8-24.2 and § 27-13-7-19 require insurers and HMOs to provide coverage for prosthetic and orthotic devices, equal to the coverage provided for the same device, repair, or replacement under the federal Medicare program (42 U.S.C. § 1395, *et. seq.*).

As used in this Bulletin, a prosthetic device means an artificial arm or leg or any portion thereof. Orthotic devices are medically necessary custom fabricated braces or supports designed as a component of an artificial arm or leg.

An insurer or HMO must provide coverage for the prosthetic or orthotic device – including repair or replacement – when an insured’s, certificate holder’s, or enrollee’s (Covered Person’s) physician determines that a prosthetic and/or orthotic device is necessary to maintain or restore the Covered Person’s ability to perform activities of daily living or essential job related activities. Coverage may be subject to utilization review, including periodic review, of the continued medical necessity of the benefit. The device may not be solely for the comfort and convenience of the individual and must be provided by an accredited person as required by 42 U.S.C. § 1395m(a)(20) or a qualified practitioner as defined in 42 U.S.C. § 1395m(h)(1)(F)(iii).

Insurers and HMOs must use the federal Medicare reimbursement schedule for the same device, repair, or replacement, unless a different reimbursement rate is negotiated. Coverage may not be subject to a deductible, copayment, or coinsurance provision that is less favorable to an individual than that which applies to other items and services generally. The new laws do not require a deductible equal to the deductible under the federal Medicare program for these devices.

Any lifetime maximum coverage limitation that may apply to these devices must be equal to the lifetime maximum coverage limitation that applies to all other items and services generally and must be separate from that general lifetime maximum coverage limitation.

Questions concerning this bulletin should be addressed to Carol Cutter, Chief Deputy Commissioner for Health and Legislative Affairs, who can be reached at (317) 232-5695 or ccutter@idoi.IN.gov, or to Anita Strauss, Health Policy Program Director, at (317) 234-6293 or an Strauss@idoi.IN.gov.

INDIANA DEPARTMENT OF INSURANCE



James Atterholt, Commissioner