**Washington State**
**House of Representatives**
**Office of Program Research**

# BILL ANALYSIS

# Health Care & Wellness Committee

# HB 1612

**Brief Description**: Regulating the insurance coverage of prosthetics and orthotics.

**Sponsors**: Representatives Johnson, Green, Hope, Dickerson, Walsh, Appleton, Maxwell, Van De Wege and Kenney.

**Brief Summary of Bill**

- Beginning January 1, 2012, requires individual and group health plans to provide coverage for prosthetics and orthotics at least equivalent to the coverage provided by the federal Medicare program.

**Hearing Date**: 2/14/11

**Staff**: Chris Cordes (786-7103).

**Background**:

Prosthetics and orthotics are the practices that involve evaluating, designing, and fitting certain devices that replace external parts lost due to amputation or deformities (prosthetics) or that support or correct neuromuscular or musculoskeletal dysfunction (orthotics). Prosthestists and orthotists are licensed to practice in Washington. Their services may be provided only under an order from or referral by a health care practitioner.

Both prosthetic and orthotic devices are covered under the federal Medicare program when the device is furnished incident to a physician's services and is reasonable and necessary for the diagnosis or treatment of an illness or injury or to improve functioning of a malformed body part.

**Summary of Bill**:

Individual and group health plans issued or renewed on or after January 1, 2012, that provide coverage for hospital or medical expenses must provide coverage for prosthetics and orthotics at least equivalent to the coverage provided by the federal Medicare program.

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Coverage includes all services and supplies deemed medically necessary to restore optimal functionality and for the effective use of a device. The coverage must include device repair or replacement when medically necessary for activities of daily living or essential job functions and not solely for comfort or convenience.

The reimbursement rate must be at least equal to the federal Medicare rate and no more restrictive than other benefits in the policy. The rate must be comparable to coverage of restorative internal devices without arbitrary caps or lifetime restrictions (other than annual or lifetime dollar maximums that apply in the aggregate to all services under the policy).

Prosthetic and orthotic benefits may not be subject to separate financial requirements or limitations. However, as long as such limitations are no more restrictive than those applicable to medical and surgical benefits, a health plan may impose copayments or coinsurance amounts or, for out-of-network coverage, limit the benefits or alter financial requirements.

If coverage is provided through a managed care plan, the insured must have access to medically necessary clinical care and to prosthetic and orthotic devices from at least two providers in the plan's network.

An orthotic device is a rigid or semi-rigid device supporting a weak or deformed arm, leg, hand, foot, back, or neck or such a device restricting or eliminating motion in a diseased or injured arm, leg, hand, foot, back, or neck.

A prosthetic device is an artificial limb or appliance designed to replace an arm or leg.

**Appropriation**: None.

**Fiscal Note**: Requested on February 11, 2011.

**Effective Date**: The bill takes effect 90 days after adjournment of the session in which the bill is passed.