

FINAL BILL REPORT

SHB 2153

C 115 L 14
Synopsis as Enacted

Brief Description: Concerning the treatment of eosinophilic gastrointestinal associated disorders.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Habib, Tarleton, Ross, Green, Morrell, Springer, Tharinger, Jinkins, Goodman, Van De Wege, Clibborn, Fey and Riccelli).

House Committee on Health Care & Wellness
House Committee on Appropriations Subcommittee on Health & Human Services
Senate Committee on Health Care

Background:

Eosinophilic Gastrointestinal Associated Disorders.

Eosinophils are a type of white blood cells that contains proteins designed to help the body fight infection. Eosinophilic gastrointestinal associated disorders (EGIDs) are chronic inflammatory disorders that result from an abnormally high number of eosinophils in the digestive system. Treatments for EGIDs include corticosteroids and dietary therapies. A patient treated with a restrictive diet may require an amino acid-based elemental formula to provide necessary nutrients.

In December 2013 the Department of Health (Department) completed a sunrise review of legislation that would have required coverage of formulas necessary for the treatment of EGIDs, regardless of delivery method. The Department recommended adding a mandate to require coverage of elemental formulas to treat EGIDs, finding that the proposal was in the best interest of the public and that the benefits outweighed the costs.

Mandated Benefits under the Patient Protection and Affordable Care Act.

The federal Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act of 2010 (ACA) requires most small group and individual health plans to offer a package of benefits known as the "essential health benefits." A state must defray the costs to consumers for state-mandated benefits that are not included in the state's essential health benefits package.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

To determine the essential health benefits, federal law allows a state to choose a "benchmark" plan from a list of options and to supplement that plan to ensure it covers all of the essential health benefit categories specified in the ACA. Washington has chosen the largest small group plan in the state as its benchmark, which means most of the state's existing benefit mandates are included in the state's essential health benefit package. The state may not change its benchmark until at least 2016, when the federal government will revisit its approach for designating the essential health benefits.

State law requires the Insurance Commissioner to submit to the Legislature a list of state-mandated health benefits that, if enforced, would result in federally imposed costs to the state. The list must include the anticipated costs to the state of each benefit on the list. The Insurance Commissioner may enforce a benefit on the list only if funds are appropriated by the Legislature for that purpose.

Summary:

Health plans (including plans offered to public employees and their dependents) that are issued or renewed after December 31, 2015, must offer benefits or coverage for medically necessary elemental formula, regardless of delivery method, when a licensed health care provider with prescriptive authority: (1) diagnoses a patient with eosinophilic gastrointestinal associated disorders; and (2) orders and supervises the use of the elemental formula.

A health benefit plan may require prior authorization or impose other appropriate utilization controls in approving coverage for medically necessary elemental formula.

Votes on Final Passage:

House	85	11
Senate	49	0

Effective: June 12, 2014