

# MAINE STATE LEGISLATURE

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Date: 6/15/17

L.D. 658  
(Filing No. H-598)

**INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
123RD LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 507, L.D. 658, Bill, "An Act To Protect the Health of Infants"

Amend the bill by striking everything after the enacting clause and before the summary and inserting in the following:

**Sec. 1. 24 MRSA §2317-B, sub-§12-B** is enacted to read:

12-B. Title 24-A, sections 2762, 2847-M and 4253. Coverage for medically necessary infant formula, Title 24-A, sections 2762, 2847-M and 4253;

**Sec. 2. 24-A MRSA §2762** is enacted to read:

**§2762. Coverage for medically necessary infant formula**

**1. Required coverage.** All individual health insurance policies, contracts and certificates must provide coverage for amino acid-based elemental infant formula, regardless of the delivery method, that has been authorized by a licensed physician when determined to be medically necessary health care as defined in section 4301-A, subsection 10-A for the treatment of food protein allergies and intolerances, disorders affecting the gastrointestinal tract and other medically diagnosed conditions. The policies, contracts and certificates must reimburse for amino acid-based elemental infant formula up to \$6,000 per year. The policy may require prior authorization for coverage required by this section, but may not impose any other limitation, deductible, copayment or coinsurance.

**2. Application.** The requirements of this section apply to all policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after the effective date of this section. For purposes of this section, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.

**Sec. 3. 24-A MRSA §2847-M** is enacted to read:

**COMMITTEE AMENDMENT**

R. 018.

1 §2847-M. Coverage for medically necessary infant formula

2 1. Required coverage. All group health insurance policies, contracts and  
3 certificates must provide coverage for amino acid-based elemental infant formula,  
4 regardless of the delivery method, that has been authorized by a licensed physician when  
5 determined to be medically necessary health care as defined in section 4301-A,  
6 subsection 10-A for the treatment of food protein allergies and intolerances, disorders  
7 affecting the gastrointestinal tract and other medically diagnosed conditions. The  
8 policies, contracts and certificates must reimburse for amino acid-based elemental infant  
9 formula up to \$6,000 per year. The policy may require prior authorization for coverage  
10 required by this section, but may not impose any other limitation, deductible, copayment  
11 or coinsurance.

12 2. Application. The requirements of this section apply to all policies, contracts and  
13 certificates executed, delivered, issued for delivery, continued or renewed in this State on  
14 or after the effective date of this section. For purposes of this section, all contracts are  
15 deemed to be renewed no later than the next yearly anniversary of the contract date.

16 **Sec. 4. 24-A MRSA §4253 is enacted to read:**

17 §4253. Coverage for medically necessary infant formula

18 1. Required coverage. All individual and group health maintenance organization  
19 policies, contracts and certificates must provide coverage for amino acid-based elemental  
20 infant formula, regardless of the delivery method, that has been authorized by a licensed  
21 physician when determined to be medically necessary health care as defined in section  
22 4301-A, subsection 10-A for the treatment of food protein allergies and intolerances,  
23 disorders affecting the gastrointestinal tract and other medically diagnosed conditions.  
24 The policies, contracts and certificates must reimburse for amino acid-based elemental  
25 infant formula up to \$6,000 per year. The policy may require prior authorization for  
26 coverage required by this section, but may not impose any other limitation, deductible,  
27 copayment or coinsurance.

28 2. Application. The requirements of this section apply to all policies, contracts and  
29 certificates executed, delivered, issued for delivery, continued or renewed in this State on  
30 or after the effective date of this section. For purposes of this section, all contracts are  
31 deemed to be renewed no later than the next yearly anniversary of the contract date.

32 **Sec. 5. Application.** This Act applies to health insurance policies, contracts and  
33 certificates executed, delivered, issued for delivery, continued or renewed in this State on  
34 or after January 1, 2008. For purposes of this Act, all contracts are deemed to be renewed  
35 no later than the next yearly anniversary of the contract date.

36 **Sec. 6. Appropriations and allocations.** The following appropriations and  
37 allocations are made.

38 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

39 **Salary Plan 0305**

40 Initiative: Appropriates and allocates funds for the additional costs of health insurance to  
41 the State resulting from the requirement to provide coverage for medically necessary  
42 amino acid-based elemental infant formulas.

R. 013.

COMMITTEE AMENDMENT "A" to H.P. 507, L.D. 658

1	<b>GENERAL FUND</b>	<b>2007-08</b>	<b>2008-09</b>
2	Personal Services	\$0	\$36,810
3			
4	<b>GENERAL FUND TOTAL</b>	<hr/> \$0	<hr/> \$36,810
5	<b>HIGHWAY FUND</b>	<b>2007-08</b>	<b>2008-09</b>
6	Personal Services	\$0	\$14,220
7			
8	<b>HIGHWAY FUND TOTAL</b>	<hr/> \$0	<hr/> \$14,220

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**SUMMARY**

11 This amendment replaces the bill. The amendment requires health insurance carriers  
 12 to provide coverage for medically necessary amino acid-based elemental infant formulas,  
 13 regardless of the delivery method, for the treatment of food protein allergies and  
 14 intolerances, gastrointestinal disorders and other medically diagnosed conditions in  
 15 individual and group policies, contracts and certificates. Coverage must be provided for  
 16 up to \$6,000 per year. The amendment applies to all policies and contracts issued or  
 17 renewed on or after January 1, 2008.

18

**FISCAL NOTE REQUIRED**

19

(See attached)

**COMMITTEE AMENDMENT**



# 123rd MAINE LEGISLATURE

LD 658

LR 2115(02)

## An Act To Protect the Health of Infants

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

### Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$36,810	\$38,651	\$40,583
Highway Fund	\$0	\$14,220	\$14,931	\$15,67
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$36,810	\$38,651	\$40,583
Highway Fund	\$0	\$14,220	\$14,931	\$15,678

#### Fiscal Detail and Notes

Adding coverage for medically necessary amino acid-based elemental infant formulas will increase premium costs effective with the contract year beginning July 1, 2008. The additional employer costs across all funds to the state employee health insurance program is estimated to be approximately \$90,000 for fiscal year 2008-09.

A General Fund appropriation of \$36,810 and a Highway Fund allocation of \$14,220 are included for the salary plan reserve accounts to fund increases for General Fund and Highway Fund employees. The costs for employees paid by other funds, including a small amount for the Fund for a Healthy Maine, may require increased allotments as recommended by the State Budget Officer and approved by the Governor.

Any additional costs to the Bureau of Insurance in the Department of Professional and Financial Regulation in implementing this legislation can be absorbed by the bureau within existing budget resources. This fiscal note does not reflect the additional costs to the private health insurance market.