




STATE OF DELAWARE  
STATE COUNCIL FOR PERSONS WITH DISABILITIES  
MARGARET M. O'NEILL BUILDING  
410 FEDERAL STREET, SUITE 1  
DOVER, DE 19901

VOICE: (302) 739-3620  
TTY/TDD: (302) 739-3699  
FAX: (302) 739-6704

**MEMORANDUM**

DATE: May 6, 2010

TO: All Members of the Delaware State Senate  
and House of Representatives

FROM: Ms. Daniese McMullin-Powell   
Chairperson  
State Council for Persons with Disabilities

RE: H.B. 343 [Prosthetic Insurance Coverage]

The State Council for Persons with Disabilities (SCPD) has reviewed H.B. 343 with H.A. 1 which assures prosthetic parity for Delaware citizens who have experienced limb loss by requiring all individual and group health insurance policies to provide orthotic and prosthetic devices at a reimbursement rate equal to the Federal reimbursement rate for persons with disabilities and the elderly. SCPD endorses the concept of the proposed legislation.

This bill is part of a nationwide effort to establish "parity" for persons needing orthotic and prosthetic devices. The campaign includes both federal and state legislation. The national initiative is being promoted by the Amputee Coalition of America (ACA). The ACA indicates that states which have enacted such legislation have not experienced increases in insurance premiums and have reduced Medicaid costs. Attached please find background information, including an excerpt from the "Delaware Amps" website and materials describing states which have already passed such legislation. H.B. No. 343 (lines 7-8) recites that 11 states had enacted such laws as of 2008. Consistent with the attachments, several more states adopted laws in 2009, including Arkansas, Maryland, Iowa, Missouri, Virginia, Texas, and Illinois.

Thank you for your consideration and please contact SCPD if you have any questions regarding our position on the proposed legislation.

cc: The Honorable Jack A. Markell  
Mr. Brian Hartman, Esq.  
Governor's Advisory Council for Exceptional Citizens  
Developmental Disabilities Council

HB343 prosthetic parity 5-6-10

# DELAWARE AMPS

For Amputees and Their Families in Delaware  
Social & Recreational Opportunities  
Individual & Family Support - Advocacy & Legislation

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## Prosthetic Parity: What is it? Why amps need it

Imagine what it would be like if you or a family member could only have one prosthetic for an entire lifetime.

Many amputees don't have to imagine that situation - they live it. The reason is that different insurance companies cover prosthetics at different levels.

Some cover 80% or more of a medically necessary prosthetic. Others impose a replacement or repair coverage cap of as low as \$500 per year. Still others allow an individual only one prosthetic for their lifetime.

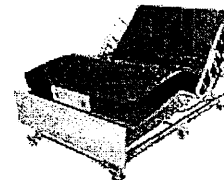
That's bad enough if for a grown adult - but it's completely unacceptable for a growing child.

### The Problem

The basic problem is that the overall insurance industry classifies prosthetics as "durable medical equipment" - the same classification it uses for wheelchairs, oxygen equipment and home hospital beds.



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We can see why insurance companies might want to limit the number of hospital beds you could get in a lifetime. But prosthetics aren't just hardware to us.

They are - quite literally - extensions of our bodies which allow us to walk, grasp, work, play, travel, socialize, engage in sports and recreation and to lead a full and active life.

Your average hospital bed can't do that.

### The Objective - Parity With Other Health Care

The objective of Prosthetic Parity legislation is to put prosthetics on a par with other medical benefits. In other words, to make sure group health insurance plans cover prosthetics, components and repairs under terms that are no less favorable than the coverage they provide for other medical and surgical benefits.

At minimum, proposed federal legislation requires that insurance companies provide prosthetic coverage at least at the same level as provided by Medicare.

Prosthetic Parity legislation also generally eliminates annual or lifetime dollar limitations on benefits for medically necessary prosthetics, components and/or repairs.

### No Premium Increases

A primary opposition to any legislation is the cost factor - who's going to pay for it and how much?

#### States Adopting Prosthetic Parity Laws

1	Colorado	2000
2	Maine	2003
3	New Hampshire	2004
4	Rhode Island	2006
5	Massachusetts	2006
6	California	2006
7	Oregon	2007
8	New Jersey	2008
9	Indiana	2008
10	Vermont	2008
11	Louisiana	2008

Bills currently in both the US House and in the US Senate agree that:

1: Prosthetic parity legislation will not add to the size of government or to the costs associated with the Medicare and Medicaid programs, and

2: "prosthetic devices on par with other medical and surgical benefits will not increase the incidence of amputations or the number of individuals for which a prosthetic device would be medically necessary and appropriate."

In other words, people aren't going to be lining up to have a limb lopped off so they can take advantage of the insurance coverage.

The States in which prosthetic parity laws have been enacted found there to be little or no increases in insurance premiums

The New Jersey Mandated Health Benefits Advisory Commission, for example, reported "The cost impact on premiums is relatively small - at less than 0.025%."

States where Prosthetic parity is now law also report reduced Medicare and Medicaid costs. That's good news in support of the federal bills.

#### Status of HB-5615 and S-3517.

**House Resolution 5615** was introduced on March 13, 2008 by Rep. Robert Andrews (D-NJ). The bill has 26 co-sponsors. Congressman Castle is currently not among those co-sponsors.

The bill has been referred to **House Committee on Education and Labor**. Mr. Castle is a member of that Committee.

**Senate Bill 3517** was introduced on September 2008 by Senator Olympia J. Snowe (R-Maine). Neither Mr. Carper nor Mr. Biden are currently co-sponsors.

It has been referred the **Committee on Health, Education, Labor, and Pensions**

#### Delaware's Congressional Delegation

If you have an opinion on Prosthetic Parity Legislation you can contact Delaware's federal delegation at:



Sen Tom Carper  
<http://carper.senate.gov>

Wilmington Office  
p: (302) 573-6291  
f: (302) 573-6434

Dover Office  
p: (302) 674-3308  
f: (302) 674-5464

Georgetown Office  
p: (302) 856-7690  
f: (302) 856-3001



Sen Ted Kaufman  
<http://kaufman.senate.gov>

Wilmington Office  
p: (302) 573-6345  
f: (302) 573-6351

Milford Office  
p: (302) 424-8090  
f: (302) 424-8098

Washington Office  
p: (202) 224-5042  
f: (202) 224-0139



Rep. Mike Castle  
[www.castle.house.gov](http://www.castle.house.gov)

Wilmington Office  
p: 302.428.1902  
f: 302.428.1950

Dover Office  
p: 302.736.1666  
f: 302.736.6580

Georgetown Office  
p: 302.856.3334

Washington Office  
p: 202.225.4165



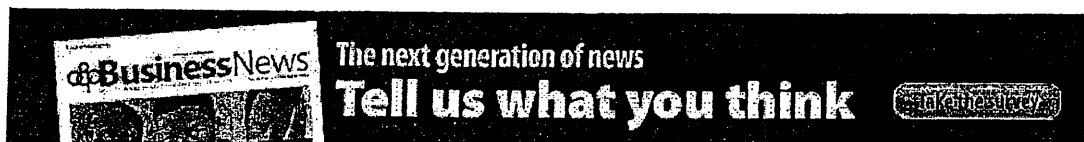
Congressman Mike Castle (R-DE), second from the right, back row, is a member of the House Committee on Education and Labor which must approve the bill before it goes to the full Congress for a vote.

Washington Office  
p: (202) 224-2441  
f: (202) 228-2190

f: 202.225.2291

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## Cover Story

August 15, 2009

## A Record Year for Prosthetic Parity

Parity gains momentum in the face of economic pessimism.

By Jennifer Hoydycz

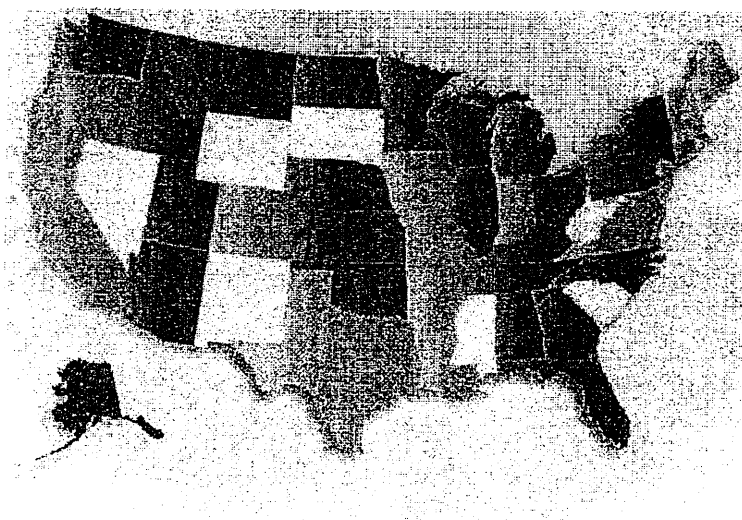
This year, good news has been hard to find within the depths of economic turmoil that has flooded global as well as industry news. Legislatively, some might expect that parity efforts have dwindled and taken a backseat to other, but not more imperative, concerns, but the contrary is taking place in legislative offices across the country.

The Amputee Coalition of America (ACA), along with the support of amputees, O&P facility owners and practitioners, activists and professional O&P organizations, is winding down the first half of a record year in the almost decade-long push for parity. What started with one passage, Colorado, in 2001 has led to increased awareness and a more than 25% adoption of parity bills throughout the 50 states. There were seven victories in 2009 – Arkansas, Maryland, Iowa, Missouri, Virginia, Texas and Connecticut.

The Connecticut parity legislation was vetoed by the governor. The ACA and local activists waged a strong override effort, but came up short. They are committed to advancing the bill in the upcoming session. Despite this setback, this session still provided a lot of cause for celebration with six new states for a total of 17 states that have enacted parity legislation.

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- States with prosthetic parity bills passed
- States where a parity bill has been vetoed
- States working to introduce a prosthetic parity bill in 2010
- States working to build a prosthetic parity campaign
- States without prosthetic parity bills or campaigns

Projections for 2009

Despite the dark cloud looming over state budgets, the ACA forged ahead with their mission and their message in 2009. They aimed to capitalize on an otherwise negative situation by reminding lawmakers of the vital importance of getting amputees up and moving again.

"In this economy people are not going to be able to fill huge gaps in coverage," Morgan Sheets, national advocacy director for the ACA, told *O&P Business News*. "What we decided to do was highlight those types of arguments in terms of keeping people working so that they're paying taxes and they are productive members of society. I think that has always resonated but perhaps in this economy, even more."

Sheets said that the economy sent the reality of the issue home to the lawmakers pointing out that even the most drastic measures that amputees could take to bridge the monetary gap, including dipping into savings and retirement funds or even taking a second mortgage on a home, might be unavailable this time around.

"People are having to do that sometimes even just to get by so how are they supposed to then also find that extra money?" she said. "It did help to highlight the situations that these restrictions put people in."

Sheets also credits a successful 2009 to the hard work and success they have experienced in prior years.

"We were in a good place so I think [the success is due to] the work that we've put in to build the infrastructure and craft the message and build strong campaign committees, in combination with people understanding the drastic economic situation," Sheets said. "I think those things in partnership, helped us this year."

In this article, *O&P Business News* highlights the progress and success being made by states across the nation this year.



## ARIZONA

As a new state involved in the push for prosthetic parity, activists in Arizona are working to build momentum and spread awareness about their new campaign.

The effort began at the 2007 ACA Conference and has been gaining momentum ever since. Tina Wendelschafer, chairperson of the committee working to advance legislation, is focusing on involvement and education at this stage of the process stressing the importance of practitioner influence, especially when it comes to educating patients.

"We would love for the practitioners to get more involved in this," she said. "We're all in this together."

The committee has secured a name for themselves – AMPS-United – and at press time was creating a Web site to also help spread their message.

Their main goal over the summer remains to contact as many people as possible through flyers, phone calls and e-mails centered on education. Furthering this mission, the group has planned several fundraisers for this upcoming Veterans Day in November. A concert and a walk are scheduled to take place in Phoenix.

Wendelschafer explained that they are also working on a 1000-signature campaign that would bring the bill closer to a floor vote.



## NORTH CAROLINA

Like Arizona, activists in North Carolina are currently organizing resources to prepare for bill presentation.

The legislature in that state, however, demands certain prerequisites before securing a sponsor for the parity bill.

"We have to present [a draft of the bill] to Blue Cross Blue Shield and have them tell us that they will not oppose it in order to get a sponsor for the bill," Ashlie White, leader of the campaign efforts, said. "It's as clear as it can be. The senators and the legislators in the state have all told us the same thing. If we can get confirmation from Blue Cross Blue Shield that they will not oppose the bill, they will help us."

Despite this extra roadblock, White explains that they have seen a lot of progress in North Carolina with regards to O&P awareness due to their situation with Medicaid.

"Every few years we have to fight the Medicaid battle to keep O&P for adults in North Carolina. When the budget cuts happen, they have to go through what services they provide for adults and unfortunately because the government still lumps O&P with durable medical equipment, they cut that," White said.

But there may be an upside to this biennial debate: visibility.

"We have these people who are already aware of issues in the state," she said. "It's not like we go away for years at a time and now we're trying to fight a battle. O&P in North Carolina has always had these challenges. It is not the most comfortable situation to be in but at the same time it helps us to stay fresh."

With that in mind, White has a lot of confidence in their prosthetic parity bill and is working to keep the numbers of those involved on the climb. Luckily,

there are several groups throughout the state working together to make parity a reality and they are hopeful about introducing a bill in the next legislative session.



## ILLINOIS

In 2008, activists in Illinois introduced a Senate bill that died in legislature. For 2009, they took a different approach with the House.

They presented a bill that included both orthotics and prosthetics and was crafted with language on which they felt they could compromise with lawmakers.

"[In the House] we actually ran into ... some strong resistance from what we thought was the insurance lobby but actually the [insurance companies] really did not oppose the language of this legislation," Jim Kaiser, Illinois leader for prosthetic parity, said. "They weren't in favor of it but they didn't oppose it."

Instead the opposition came from the Illinois Manufacturer's Association, the Illinois Chamber of Commerce and the National Foundation of Independent Businesses with regard to the impact this mandate would have on small businesses.

Despite three separate attempts to negotiate and one attempt to place a cap on the bill, dialogue shut down.

"They wouldn't deal with us whatsoever," Kaiser said explaining that despite this obstacle, their sponsor proceeded to push the bill and it was passed out of the House without any textual changes.

Introducing it in the Senate proved to be a larger challenge and the Illinois state sponsor decided to hold off on introduction for fear it would die in session as it did in 2008. Currently, they are waiting to have it called for a vote in the November session.

"It's not dead," Kaiser stressed. "Our lobbyist had a dinner with our sponsor last week who said he now felt that he had the support of more of the Democrats on the insurance committee."

Over the summer activists are setting up grassroots efforts and are looking to make aggressive individual contact with key senators.

"We have to ... get patients involved," Kaiser said. "From the practitioner and the business perspective this looks like a special interest piece of legislation and it will never fly. We have to be engaged in this process. If we're not engaged in it, it will go nowhere because nobody's going to do it for us."



## MINNESOTA

On May 11, the Minnesota parity bill was introduced to legislators. Now that the session is closed, activists are working towards clarifying the language of the bill and perhaps extending that coverage into orthotics.

To reach this point, local activist Cate Braun explained that, the Minnesota Society for Orthotists, Prosthetists and Pedorthists formed a committee to investigate parity last year and then began outreach to patients and began the formation of patient advocacy groups.

Now they are preparing to meet with different representatives around the state to stress the importance of their vote for the bill.

"It will be up on the agenda and in committee for discussion in February when the legislature resumes," Braun said, explaining that introduction of the bill was not expected to take place in 2009. "Because of this, we are unaware of any opposition and hoping to get in and out of committee without much resistance."

To further the mission, Braun has advice for those who want to get involved.

"We're looking for a more active role from the facility owners and clinicians so that they are educating and talking to their patients and then the patients are talking to legislators," Braun said. "We are looking at growing the ground force. We've got a lot of time but we need people to start becoming aware and getting their patients more involved."



## TEXAS

Among the seven successes of 2009, Texas has been working for more than 2 years to pass parity legislation.

Despite their setbacks in 2007 and over the course of one year without any legislative activity due to the structure of the government, activists in Texas were prepared with new strategies to make sure that 2009 saw success.

"We focused on whatever committee our bill was with," Mona Patel, leader of the Texas movement, said. "The House bill was the one that had the movement so that was what we focused on."

Before the bill was heard by each House committee, activists made sure they scheduled a meeting with those members to discuss key facts and figures.

"The House bill had fast movement to the House floor. Then we knew the Senate was going to be a little bit tougher due to the makeup of the Senate and knowing that that's where the bill died last session," Patel said.

From there the bill was sent to the Senate State Affairs Committee that is historically opposed to passing mandates.

"We chose to spend our time with a few of those staffers and chiefs of staff and they wanted specific information for Texas," Patel said.

Following a hearing with the State Affairs Committee, for which 25 amputees came out willing to provide testimony, the bill was voted out of subcommittee and back to committee and then it was scheduled for a vote on the Senate floor. It was a unanimous vote in favor of the bill.

"It's a testimony that grassroots really can work," Patel said of the success in Texas. "You need a lot of heart, a lot of dedication and perseverance."

Among Patel's recommendations for other states looking to push this bill are: confidence and a united front.

"Be visible. Stay determined and [don't] lose focus of what your end goal is," she said.



## VIRGINIA

In addition to Texas, Virginia also saw the success of having their parity legislation signed into law in 2009 in what Sheets and Charlie Coulter, of Virginia Prosthetics and leader of the Virginia movement, call the most difficult passage yet.

The bill presented in 2007 was referred to the Mandated Benefits Review Committee which, according to Coulter, killed any chance for movement in that legislative session due to timing.

"We took patients to testify," Coulter said. "I was told it was one of the most exhaustive hearings they've ever had and that the report by the Joint Legislative Audit and Review Commission (JLARC) was one of the most positive. I thought this was a shoe-in. That's when I learned about partisan politics. In the spring of 2008 it was reintroduced, and referred to committee where, in spite of favorable studies, it was stonewalled by a majority of Republicans who chose to ignore their own JLARC report."

Despite fiscal impact study results showing that there were no additional costs to the state to enact the law, according to Coulter, there were attempts to derail the efforts and allegedly misinformation was dispensed, which hurt the bill's chances.

In the summer of 2008, a lobbyist was hired and groundwork was started, which led to the passage of the mandated offer in the first legislative session of 2009. The bill will go into effect in January 2010.

"At least what we're getting is disclosure, opportunity and choice," Coulter said regarding the bill being passed as an offer as opposed to a benefit. "We are hopeful that the market will drive this at a reasonable rate. In California it seems to be working fine."

Coulter urges other states trying to pass a parity bill to present with a unified voice.

"It has never been more important for small businesses to form a state association," he said. "Unfortunately our business has been historically [comprised of] small practices and I think people are leery of joining with their competitors in any way. The only way to get this across is to band together as an association."

## Look ahead to 2010

To gear up for the 2010 session, the ACA is working with local activists to hold organizing meetings throughout the country June-September. They are also developing a toolkit that can be used to generate grassroots organizing initiatives to support the state bills.

## Federal push

The slogan for the Prosthetic and Customized Orthotic Parity Act – arms and legs are not a luxury – is certainly being heard through the ACA's recent efforts to push the legislation forward.

"We had a successful lobby day in March," Sheets said. "We had 200 people from 34 states, which was way beyond our original goals and expectations."

Throughout the country, parity leaders have been meeting with legislators while on recess in their district offices.

Simultaneously, the ACA advocacy department has been on the Hill every week meeting in the House and Senate offices.



"The ACA has been on the Hill at the same time that our activists are in the district offices and doing countless e-mails, call-in days, letters," Sheets said. "We have also been dropping information and stories off to targeted offices every couple of weeks just to keep momentum going."

The ACA is working in collaboration with several leading health and disability organizations, including the American Orthotic and Prosthetic Association (AOPA). The ACA recently partnered with AOPA to launch an ad in the July issues of Business Week, Newsweek, Time, Forbes and U.S. News and World Report. The goal of the ad is to raise awareness and build support for the Prosthetic and Orthotic Parity Act (HR 2575) and the Medicare Improvements Act (HR 2479). The ACA has also been working with AOPA and other partners on issues related to health care reform and people with limb loss.

Sheets explained that in addition to the push for nationwide coverage, much of their time more recently has been spent wrapped up in the health care reform debate.


"We've been spending a lot of time on that and trying to push to make sure there's appropriate and adequate coverage for people with limb loss in the national health care reform bill," Sheets said. "It is our role to ensure that the specific needs of amputees are not left out in the larger discussion around the benefits and delivery of health care in this country."

Sheets is confident that with the hard work and leadership of the ACA, their activists and coalition partners, language will be included in the final health care reform legislation that will help to advance protections for people with limb loss and their health care needs.

For more information:

- [www.amputee-coalition.org](http://www.amputee-coalition.org)
- [www.amputee-coalition.org/armsandlegsarenotaluxury/index.html](http://www.amputee-coalition.org/armsandlegsarenotaluxury/index.html)

Jennifer Hoydick is the managing editor of *O&P Business News*.

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**FOR IMMEDIATE RELEASE**

December 13, 2009

**Governor Quinn Signs Law Improving Orthotic, Prosthetic Insurance Coverage  
*Requires Health Plan Parity for Policyholders' Benefits, Conditions***

**CHICAGO** – December 13, 2009. Governor Pat Quinn today signed a bill into law that will benefit thousands of orthotic and prosthetic users in Illinois covered by private health insurance plans. The law ensures that coverage for orthotic and prosthetic devices is the same as nearly all medical or surgical benefits.

“Those covered by orthotic and prosthetic insurance policies will get stronger and better coverage that is in line with other medical and surgical insurance benefits,” said Governor Quinn. “This new law should provide a greater degree of financial protection and security to those who depend upon these important devices and to their families.”

In addition, the new law will give more orthotic and prosthetic users access to new, technologically-advanced and well-fitting devices. There are over 69,000 people in Illinois living with limb loss and a comparable number of people living with disabling diseases such as Spina Bifida, Cerebral Palsy and Muscular Dystrophy.

Governor Quinn signed into law HB 2652, which was sponsored by Senator Antonio Munoz (D-Chicago) and Representative Kevin Joyce (D-Worth). The law goes into effect June 1, 2010.

The new law pertains to health insurance plans that contain coverage for orthotics or prosthetics (excluding foot orthotics). It amends the Illinois Insurance Code by adding a section requiring those insurance plans to provide coverage that's on par with “substantially all medical and surgical benefits” covered in that plan.

The law pertains to health insurance plans covering orthotics or prosthetics that are issued, renewed or delivered six months after June 1, 2010.

Helping to inspire passage of this new law is the family of 14-year-old Allie Johnson, who was born without a right arm. Her insurance company would only cover one prosthetic for her lifetime. Her mother, Laurie -- who for nearly 15 years has worked with Families and Amputees in Motion and is now its president—has spent that last two-and-a-half years working with legislators and other advocates to pass the insurance parity bill.

“This new law is going to help thousands of Illinois citizens. It will improve their lives financially but, just as important, enable many of them to go back to work and contribute to society in general,” said Laurie Johnson.

Other groups and constituents that rallied in support of the Orthotic and Prosthetic Insurance Coverage Parity law include: Illinois Society of Orthotists and Prosthetists; United Healthcare; Tammie Higginbotham; and Douglas Knight, a member of Spina Bifida Association and the National Federation of Independent Business.

Among those joining Governor Quinn at the bill signing ceremony were: Representative Joyce; Senator Munoz; Representative Jim Durkin (R-Countryside), co-sponsor of the bill; Rep Monique Davis (D-Chicago) co-sponsor of the bill; Laurie and Allie Johnson; and Jim Kaiser, a Member of Families and Amputees in Motion.

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RAW TAPE: Governor signs prosthetics parity bill

RAW TAPE: Q & A with Governor Quinn

## SENATE BILL 341

C3

9lr1109  
CF 9lr1881

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By: **Senators Pugh, Astle, Della, Exum, Gladden, Glassman, Harrington, Jones, Kelley, Klausmeier, Lenett, Madaleno, McFadden, Raskin, and Rosapepe**

Introduced and read first time: January 29, 2009

Assigned to: Finance

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### A BILL ENTITLED

AN ACT concerning

### **Prosthetic Parity Act**

FOR the purpose of requiring certain insurers, nonprofit health service plans, and health maintenance organizations to provide certain coverage for prosthetic devices, components of prosthetic devices, and repairs to prosthetic devices; prohibiting certain benefits from being subject to a certain copayment or coinsurance requirement; prohibiting certain insurers, nonprofit health service plans, and health maintenance organizations from imposing a certain dollar maximum on certain coverage and from establishing certain requirements for medical necessity or appropriateness; repealing a certain requirement for certain health insurance contracts that is rendered inconsistent by this Act; making certain provisions of this Act applicable to health maintenance organizations; defining a certain term; providing for the application of this Act; and generally relating to health insurance coverage for prosthetic devices, components of prosthetic devices, and repairs to prosthetic devices.

BY repealing and reenacting, with amendments,  
Article – Insurance  
Section 15-820  
Annotated Code of Maryland  
(2006 Replacement Volume and 2008 Supplement)

BY adding to  
Article – Insurance  
Section 15-844  
Annotated Code of Maryland  
(2006 Replacement Volume and 2008 Supplement)

BY adding to

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.



Article – Health – General  
Section 19-706(ttt)  
Annotated Code of Maryland  
(2005 Replacement Volume and 2008 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Insurance**

15-820.

(a) [(1)] In this section [the following words have the meanings indicated.

(2) “Orthopedic], “ORTHOPEDIC brace” means a rigid or semi-rigid device that is used to:

[(i)] (1) support a weak or deformed body member; or

[(ii)] (2) restrict or eliminate motion in a diseased or injured part of the body.

[(3) “Prosthetic device” means an artificial limb.]

(b) Each health insurance contract that is delivered or issued for delivery in the State by a nonprofit health service plan and that provides hospital benefits shall provide benefits for [prosthetic devices and] orthopedic braces.

15-844.

(A) IN THIS SECTION, “PROSTHETIC DEVICE” MEANS AN ARTIFICIAL DEVICE TO REPLACE, IN WHOLE OR IN PART, A LEG, AN ARM, OR AN EYE.

(B) THIS SECTION APPLIES TO:

(1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS ON AN EXPENSE-INCURRED BASIS UNDER HEALTH INSURANCE POLICIES OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND

(2) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.

(C) AN ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE COVERAGE FOR:

- (1) PROSTHETIC DEVICES;
- (2) COMPONENTS OF PROSTHETIC DEVICES; AND
- (3) REPAIRS TO PROSTHETIC DEVICES.

(D) THE COVERED BENEFITS UNDER THIS SECTION MAY NOT BE SUBJECT TO A HIGHER COPAYMENT OR COINSURANCE REQUIREMENT THAN THE COPAYMENT OR COINSURANCE FOR PRIMARY CARE BENEFITS COVERED UNDER THE POLICY OR CONTRACT OF THE INSURED OR ENROLLEE.

(E) AN ENTITY SUBJECT TO THIS SECTION MAY NOT IMPOSE AN ANNUAL OR LIFETIME DOLLAR MAXIMUM ON COVERAGE REQUIRED UNDER THIS SECTION SEPARATE FROM ANY ANNUAL OR LIFETIME DOLLAR MAXIMUM THAT APPLIES IN THE AGGREGATE TO ALL COVERED BENEFITS UNDER THE POLICY OR CONTRACT OF THE INSURED OR ENROLLEE.

(F) AN ENTITY SUBJECT TO THIS SECTION MAY NOT ESTABLISH REQUIREMENTS FOR MEDICAL NECESSITY OR APPROPRIATENESS FOR THE COVERAGE REQUIRED UNDER THIS SECTION THAT ARE MORE RESTRICTIVE THAN THE INDICATIONS AND LIMITATIONS OF COVERAGE AND MEDICAL NECESSITY ESTABLISHED UNDER THE MEDICARE COVERAGE DATABASE.

#### Article - Health - General

19-706.

(TTT) THE PROVISIONS OF § 15-844 OF THE INSURANCE ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after October 1, 2009.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2009.

EXCERPT

Full Text of HB2652

HB2652 Enrolled

LRB096 10389 RPM 20559 b

1 AN ACT concerning insurance.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Illinois Insurance Code is amended by  
5 renumbering Section 356z.14 as added by Public Act 95-1005, by  
6 changing and renumbering Section 356z.15 as added by Public Act  
7 96-639, and by adding Section 356z.18 as follows:

8 (215 ILCS 5/356z.15)

9 Sec. ~~356z.15~~ ~~356z.14~~. Habilitative services for children.

10 (a) As used in this Section, "habilitative services" means  
11 occupational therapy, physical therapy, speech therapy, and  
12 other services prescribed by the insured's treating physician  
13 pursuant to a treatment plan to enhance the ability of a child  
14 to function with a congenital, genetic, or early acquired  
15 disorder. A congenital or genetic disorder includes, but is not  
16 limited to, hereditary disorders. An early acquired disorder  
17 refers to a disorder resulting from illness, trauma, injury, or  
18 some other event or condition suffered by a child prior to that  
19 child developing functional life skills such as, but not  
20 limited to, walking, talking, or self-help skills. Congenital,  
21 genetic, and early acquired disorders may include, but are not  
22 limited to, autism or an autism spectrum disorder, cerebral  
23 palsy, and other disorders resulting from early childhood

HB2652 Enrolled

- 2 -

LRB096 10389 RPM 20559 b

1 illness, trauma, or injury.

HB2652 Enrolled

- 6 -

LRB096 10389 RPM 20559 b

1 (d) Such wellness coverage must satisfy the requirements  
2 for an exception from the general prohibition against  
3 discrimination based on a health factor under the federal  
4 Health Insurance Portability and Accountability Act of 1996  
5 (P.L. 104-191; 110 Stat. 1936), including any federal  
6 regulations that are adopted pursuant to that Act.

7 (e) A plan offering wellness coverage must do the  
8 following:

9 (i) give participants the opportunity to qualify for  
10 offered incentives at least once a year;

11 (ii) allow a reasonable alternative to any individual  
12 for whom it is unreasonably difficult, due to a medical  
13 condition, to satisfy otherwise applicable wellness  
14 program standards. Plans may seek physician verification  
15 that health factors make it unreasonably difficult or  
16 medically inadvisable for the participant to satisfy the  
17 standards; and

18 (iii) not provide a total incentive that exceeds 20% of  
19 the cost of employee-only coverage. The cost of  
20 employee-only coverage includes both employer and employee  
21 contributions. For plans offering family coverage, the 20%  
22 limitation applies to cost of family coverage and applies  
23 to the entire family.

24 (f) A reward, contribution, or reduction established under  
25 this Section and included in the policy or certificate does not  
26 violate Section 151 of this Code.

HB2652 Enrolled

- 7 -

LRB096 10389 RPM 20559 b

1 (Source: P.A. 96-639, eff. 1-1-10; revised 10-21-09.)

2 (215 ILCS 5/356z.18 new)

3 Sec. 356z.18. Prosthetic and customized orthotic devices.

4        (a) For the purposes of this Section:

5        "Customized orthotic device" means a supportive device for  
6        the body or a part of the body, the head, neck, or extremities,  
7        and includes the replacement or repair of the device based on  
8        the patient's physical condition as medically necessary,  
9        excluding foot orthotics defined as an in-shoe device designed  
10       to support the structural components of the foot during  
11       weight-bearing activities.

12       "Licensed provider" means a prosthetist, orthotist, or  
13       pedorthist licensed to practice in this State.

14       "Prosthetic device" means an artificial device to replace,  
15       in whole or in part, an arm or leg and includes accessories  
16       essential to the effective use of the device and the  
17       replacement or repair of the device based on the patient's  
18       physical condition as medically necessary.

19       (b) This amendatory Act of the 96th General Assembly shall  
20       provide benefits to any person covered thereunder for expenses  
21       incurred in obtaining a prosthetic or custom orthotic device  
22       from any Illinois licensed prosthetist, licensed orthotist, or  
23       licensed pedorthist as required under the Orthotics,  
24       Prosthetics, and Pedorthics Practice Act.

25       (c) A group or individual major medical policy of accident

HB2652 Enrolled

- 8 -

LRB096 10389 RPM 20559 b

1       or health insurance or managed care plan or medical, health, or  
2       hospital service corporation contract that provides coverage  
3       for prosthetic or custom orthotic care and is amended,  
4       delivered, issued, or renewed 6 months after the effective date  
5       of this amendatory Act of the 96th General Assembly must  
6       provide coverage for prosthetic and orthotic devices in  
7       accordance with this subsection (c). The coverage required  
8       under this Section shall be subject to the other general  
9       exclusions, limitations, and financial requirements of the  
10       policy, including coordination of benefits, participating  
11       provider requirements, utilization review of health care  
12       services, including review of medical necessity, case



13 management, and experimental and investigational treatments,  
14 and other managed care provisions under terms and conditions  
15 that are no less favorable than the terms and conditions that  
16 apply to substantially all medical and surgical benefits  
17 provided under the plan or coverage.

18 (d) The policy or plan or contract may require prior  
19 authorization for the prosthetic or orthotic devices in the  
20 same manner that prior authorization is required for any other  
21 covered benefit.

22 (e) Repairs and replacements of prosthetic and orthotic  
23 devices are also covered, subject to the co-payments and  
24 deductibles, unless necessitated by misuse or loss.

25 (f) A policy or plan or contract may require that, if  
26 coverage is provided through a managed care plan, the benefits

HB2652 Enrolled

- 9 -

LRB096 10389 RPM 20559 b

1 mandated pursuant to this Section shall be covered benefits  
2 only if the prosthetic or orthotic devices are provided by a  
3 licensed provider employed by a provider service who contracts  
4 with or is designated by the carrier, to the extent that the  
5 carrier provides in-network and out-of-network service, the  
6 coverage for the prosthetic or orthotic device shall be offered  
7 no less extensively.

8 (g) The policy or plan or contract shall also meet adequacy  
9 requirements as established by the Health Care Reimbursement  
10 Reform Act of 1985 of the Illinois Insurance Code.

11 (h) This Section shall not apply to accident only,  
12 specified disease, short-term hospital or medical, hospital  
13 confinement indemnity, credit, dental, vision, Medicare  
14 supplement, long-term care, basic hospital and  
15 medical-surgical expense coverage, disability income insurance  
16 coverage, coverage issued as a supplement to liability  
17 insurance, workers' compensation insurance, or automobile  
18 medical payment insurance.

19 Section 10. The Health Maintenance Organization Act is  
20 amended by changing Section 5-3 as follows: