AN ACT concerning insurance; relating to health benefits coverage; establishing insurance coverage parity for orthotic devices and prosthetic devices; amending K.S.A. 2019 Supp. 40-2,103 and 40-19c09 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) As used in this section:

(1) "Health insurance policy" means any group health insurance policy, medical service plan, contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society or health maintenance organization providing coverage for medical, surgical or hospital expense coverage. "Health insurance policy" also includes the state employees healthcare benefits program and municipal funded pools.

(2) "Orthotic device" means a rigid or semi-rigid device supporting a weak or deformed leg, foot, arm, hand, back or neck, or restricting or eliminating motion in a diseased or injured leg, foot, arm, hand, back or neck.

(3) "Prosthetic device" means an artificial limb device or appliance designed to replace in whole or in part an arm or a leg.

(b) A health insurance policy shall provide coverage for the:

(1) Diagnosis and treatment of any patient in need of an orthotic device or prosthetic device that is at least equivalent to the coverage provided by the federal Medicaid program. In no event shall the coverage provided by the policy for an orthotic device or a prosthetic device be less favorable than the coverage provided for medical and surgical benefits;

(2) most appropriate device that is determined to be medically necessary by the treating physician to restore the patient's functionality to optimal levels. The coverage required shall include all materials, components, services and supplies necessary for the patient's effective use of an orthotic device or prosthetic device, including formulating the device's design, fabrication, material and component selection, measurements, fittings, static and dynamic alignments and instructing the patient in the use of the device; and

(3) repair or replacement of an orthotic device or prosthetic device that is determined to be medically necessary to restore or maintain the
patient's ability to complete activities of daily living or essential job-related activities and that is not solely for comfort or convenience.

(c) The reimbursement rate for orthotic devices and prosthetic devices provided by all health insurance policies shall be at least equivalent to the rate currently provided by the federal Medicare program, shall be no more restrictive than other benefits in the policy and shall be comparable to coverage of restorative internal devices without arbitrary caps or lifetime restrictions.

(d) Orthotic and prosthetic coverage benefits shall not be subject to separate financial requirements that are applicable only to such benefits.

(e) A health insurance policy shall not impose an annual or lifetime dollar maximum on coverage for prosthetics other than an annual or lifetime dollar maximum that applies in the aggregate to all terms and services covered under the policy.

(f) If coverage is provided through a managed care plan, the insured shall have access to medically necessary clinical care and to orthotic devices and prosthetic devices and technology from no fewer than two distinct Kansas prosthetic and orthotic providers in the managed care plan's provider network.

(g) A health insurance policy may:

1. Impose copayment and coinsurance amounts on coverage for orthotic devices and prosthetic devices. Any financial requirements applicable to such benefits shall not be more restrictive than the financial requirements applicable to the policy's medical and surgical benefits, including those for internal devices; and

2. Limit the benefits or alter the financial requirements for out-of-network coverage of prosthetic and orthotic devices. Any restrictions and requirements applicable to such benefits may be no more restrictive than the financial requirements applicable to the out-of-network coverage for the policy's medical and surgical benefits.

(h) The provisions of subsection (g) shall apply separately with respect to benefits provided in- and out-of-network under the health insurance policy.

(i) The provisions of this section shall not apply to any policy or certificate that provides coverage for any specified disease, specified accident or accident only coverage, credit, dental, disability income, hospital indemnity, long-term care insurance as defined by K.S.A. 40-2227, and amendments thereto, or any other limited supplemental benefit nor to any Medicare supplement policy of insurance as defined by the commission of insurance by rules and regulations, any coverage issued as a supplement to liability insurance, workers compensation or similar insurance, automobile medical-payment insurance or any insurance under which benefits are payable with or without regard to fault, whether written
on a group, blanket or individual basis.

(j) This section shall be known and may be cited as Julie's law.

Sec. 2. K.S.A. 2019 Supp. 40-2,103 is hereby amended to read as follows: 40-2,103. The requirements of K.S.A. 40-2,100, 40-2,101, 40-2,102, 40-2,104, 40-2,105, 40-2,114, 40-2,160, 40-2,165 through 40-2,170, 40-2250; and K.S.A. 2019 Supp. 40-2,105a, 40-2,105b, 40-2,184, 40-2,190, 40-2,194— and, 40-2,210 through 40-2,216, and section 1, and amendments thereto, shall apply to all insurance policies, subscriber contracts or certificates of insurance delivered, renewed or issued for delivery within or outside of this state or used within this state by or for an individual who resides or is employed in this state.


(b) No policy, agreement, contract or certificate issued by a corporation to which this section applies shall contain a provision which excludes, limits or otherwise restricts coverage because medicaid benefits as permitted by title XIX of the social security act of 1965 are or may be available for the same accident or illness.

(c) Violation of subsection (b) shall be subject to the penalties prescribed by K.S.A. 40-2407 and 40-2411, and amendments thereto.

Sec. 4. K.S.A. 2019 Supp. 40-2,103 and 40-19c09 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.