

HOUSE BILL No. 2556

By Committee on Insurance

2-3

1 AN ACT concerning insurance; relating to health benefits coverage;
2 establishing insurance coverage parity for orthotic devices and
3 prosthetic devices; amending K.S.A. 2019 Supp. 40-2,103 and 40-
4 19c09 and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

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

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

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

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

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

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

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

35 (3) repair or replacement of an orthotic device or prosthetic device
36 that is determined to be medically necessary to restore or maintain the

1 patient's ability to complete activities of daily living or essential job-
2 related activities and that is not solely for comfort or convenience.

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

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

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

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

20 (g) A health insurance policy may:

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

26 (2) limit the benefits or alter the financial requirements for out-of-
27 network coverage of prosthetic and orthotic devices. Any restrictions and
28 requirements applicable to such benefits may be no more restrictive than
29 the financial requirements applicable to the out-of-network coverage for
30 the policy's medical and surgical benefits.

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

34 (i) The provisions of this section shall not apply to any policy or
35 certificate that provides coverage for any specified disease, specified
36 accident or accident only coverage, credit, dental, disability income,
37 hospital indemnity, long-term care insurance as defined by K.S.A. 40-
38 2227, and amendments thereto, or any other limited supplemental benefit
39 nor to any Medicare supplement policy of insurance as defined by the
40 commission of insurance by rules and regulations, any coverage issued as
41 a supplement to liability insurance, workers compensation or similar
42 insurance, automobile medical-payment insurance or any insurance under
43 which benefits are payable with or without regard to fault, whether written

1 on a group, blanket or individual basis.

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

3 Sec. 2. K.S.A. 2019 Supp. 40-2,103 is hereby amended to read as
4 follows: 40-2,103. The requirements of K.S.A. 40-2,100, 40-2,101, 40-
5 2,102, 40-2,104, 40-2,105, 40-2,114, 40-2,160, 40-2,165 through 40-2,170,
6 40-2250; *and* K.S.A. 2019 Supp. 40-2,105a, 40-2,105b, 40-2,184, 40-
7 2,190, 40-2,194 ~~and~~, 40-2,210 through 40-2,216, *and section 1*, and
8 amendments thereto, shall apply to all insurance policies, subscriber
9 contracts or certificates of insurance delivered, renewed or issued for
10 delivery within or outside of this state or used within this state by or for an
11 individual who resides or is employed in this state.

12 Sec. 3. K.S.A. 2019 Supp. 40-19c09 is hereby amended to read as
13 follows: 40-19c09. (a) Corporations organized under the nonprofit medical
14 and hospital service corporation act shall be subject to the provisions of
15 the Kansas general corporation code, articles 60 through 74 of chapter 17
16 of the Kansas Statutes Annotated, and amendments thereto, applicable to
17 nonprofit corporations, to the provisions of K.S.A. 40-214, 40-215, 40-
18 216, 40-218, 40-219, 40-222, 40-223, 40-224, 40-225, 40-229, 40-230, 40-
19 231, 40-235, 40-236, 40-237, 40-247, 40-248, 40-249, 40-250, 40-251, 40-
20 252, 40-2,100, 40-2,101, 40-2,102, 40-2,103, 40-2,104, 40-2,105, 40-
21 2,116, 40-2,117, 40-2,125, 40-2,153, 40-2,154, 40-2,160, 40-2,161, 40-
22 2,163 through 40-2,170, 40-2a01 et seq., 40-2111 through 40-2116, 40-
23 2215 through 40-2220, 40-2221a, 40-2221b, 40-2229, 40-2230, 40-2250,
24 40-2251, 40-2253, 40-2254, 40-2401 through 40-2421, and 40-3301
25 through 40-3313 and K.S.A. 2019 Supp. 40-2,105a, 40-2,105b, 40-2,184,
26 40-2,190, 40-2,194 ~~and~~, 40-2,210 through 40-2,216, *and section 1*, and
27 amendments thereto, except as the context otherwise requires, and shall
28 not be subject to any other provisions of the insurance code except as
29 expressly provided in this act.

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

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

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

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