**Bill Summary**

AB 3059 would require state-regulated health plans and policies to provide coverage for donor human milk and human milk-derived fortifiers.

The bill would also exempt hospitals from the requirement to acquire a tissue bank license in order to store or distribute DHM.

**Insurance Subject to the Mandate**

AB 3059 would apply to the health insurance of approximately 22.3 million enrollees (58.6% of all Californians)

- **CDI and DMHC-regulated** (Commercial & CalPERS)
- **Medi-Cal** (DMHC-regulated)

DMHC-regulated Medi-Cal is fully compliant at baseline.

**Background**

DHM is used in NICU settings to prevent NEC (a severe intestinal disease), BPD (a chronic lung disease), and other poor health outcomes. It is recommended that VLBW and very preterm (<32 weeks) infants receive human milk fortified with proteins, minerals, and vitamins to ensure optimal nutrient intake and growth. Fortifiers are commonly derived from human or cow milk.

California requires all hospitals that store DHM to hold a tissue bank license.

**Utilization and Expenditures**

At baseline, CHBRP estimates 3,471 infants utilize DHM, and 1,041 utilize HMF.

Postmandate, CHBRP estimates an additional 35 enrollees would use DHM and an additional 11 enrollees would use HMF.

CHBRP estimates AB 3059 would increase total net annual expenditures by $9.7 million for enrollees in state-regulated insurance, including an $8.6 million shift in expenses for DHM and HMF from hospitals to health plans/insurers.

**Medical Effectiveness**

CHBRP concluded there was:

- **Clear and convincing evidence** that DHM is more effective than preterm formula in the prevention of NEC and BPD in preterm infants.
- **Limited evidence** that DHM is not as effective as preterm formula for weight gain.
- **Inconclusive evidence** regarding the effectiveness of HMF versus BMF on outcomes for preterm infants.

**Public Health Impacts**

CHBRP estimates there would be a reduction in the average annual number of NEC and BPD cases by 0.62 and 1.75 respectively, as well as a corresponding reduction in length of hospital stay of 18 to 50 days for NEC, and 26 days for BPD.

- **Bovine Milk-Derived Fortifiers** (BMF), Bronchopulmonary dysplasia (BPD), California Health Benefits Review Program (CHBRP), California Department of Insurance (CDI), California Department of Managed Health Care (DMHC), California Public Employees' Retirement System (CalPERS), Donor Human Milk (DHM), Human Milk-Derived Fortifiers (HMF), Necrotizing enterocolitis (NEC), Neonatal Intensive Care Unit (NICU), Very Low Birthweight (VLBW)

Full analysis available at www.chbrp.org