

### Bill Summary

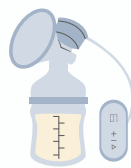
AB 3059 would require state-regulated health plans and policies to provide coverage for **donor human milk** and **human milk-derived fortifiers**,



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

### 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.

### 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.

### 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 AB 3059 would lead to **universal access to DHM** in California through the **removal** of requirements for hospitals to be **licensed as a tissue bank** in order to provide DHM to patients.



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**)