Introduced by Assembly Member Connolly

February 9, 2023

An act to amend Section 1374.56 of the Health and Safety Code, and to amend Section 10123.89 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL’S DIGEST

AB 620, as introduced, Connolly. Health care coverage for metabolic disorders.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of disability insurers, including health insurers, by the Department of Insurance. Existing law requires a health care service plan contract and disability insurance policy that provides coverage for hospital, medical, or surgical expenses and is issued, amended, delivered, or renewed on and after July 1, 2000, to provide coverage for the testing and treatment of phenylketonuria, including coverage for the formulas and special food products that are part of a prescribed diet, as specified.

This bill would require a health care service plan contract and disability insurance policy that provides coverage for hospital, medical, or surgical expenses and is issued, amended, delivered, or renewed on and after January 1, 2024, to provide coverage for the testing and treatment of other digestive and inherited metabolic disorders. Because a violation of the bill’s requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program.
The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 1374.56 of the Health and Safety Code is amended to read:

1374.56. (a) On and after July 1, 2024, every health care service plan contract, except a specialized health care service plan contract, issued, amended, delivered, or renewed in this state that provides coverage for hospital, medical, or surgical expenses shall provide coverage for the testing and treatment of phenylketonuria (PKU) or other digestive and inherited metabolic disorders under the terms and conditions of the plan contract.

(b) Coverage for treatment of phenylketonuria (PKU) or other digestive and inherited metabolic disorders shall include those formulas and special food products that are part of a diet prescribed by a licensed physician and managed by a health care professional in consultation with a physician who specializes in the treatment of metabolic disease or other digestive and inherited metabolic disorders and who participates in or is authorized by the plan, provided that the diet is deemed medically necessary to avert the development of serious physical or mental disabilities or to promote normal development or function as a consequence of phenylketonuria (PKU) or other digestive and inherited metabolic disorders.

(c) Coverage pursuant to this section is not required except to the extent that the cost of the necessary formulas and special food products exceeds the cost of a normal diet.

(d) For purposes of this section, the following definitions shall apply:

(1) “Formula” means an enteral product or enteral products for use at home that are prescribed by a physician or nurse practitioner, or ordered by a registered dietician upon referral by a health care provider authorized to prescribe dietary treatments, as medically

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necessary for the treatment of phenylketonuria (PKU): 
PKU or other digestive and inherited metabolic disorders.

(2) “Special food product” means a food product that is both
of the following:

(A) Prescribed by a physician or nurse practitioner for the
treatment of phenylketonuria (PKU) PKU or other digestive and
inherited metabolic disorders and is consistent with the
recommendations and best practices of qualified health
professionals with expertise germane to, and experience in the
treatment and care of, phenylketonuria (PKU): PKU or other
digestive and inherited metabolic disorders. It does not include a
food that is naturally low in protein, but may include a food product
that is specially formulated to have less than one gram of protein
per serving.

(B) Used in place of normal food products, such as grocery
store foods, used by the general population.

SEC. 2. Section 10123.89 of the Insurance Code is amended
to read:

10123.89. (a) On and after July 1, 2000, January 1, 2024,
every policy of disability insurance issued, amended, delivered,
or renewed in this state that provides coverage for hospital,
medical, or surgical expenses shall provide coverage for the testing
and treatment of phenylketonuria (PKU) or other digestive and
inherited metabolic disorders under the terms and conditions of
the policy.

(b) Coverage for treatment of phenylketonuria (PKU) PKU or
other digestive and inherited metabolic disorders shall include
those formulas and special food products that are part of a diet
prescribed by a licensed physician and managed by a health care
professional in consultation with a physician who specializes in
the treatment of metabolic disease or other digestive and inherited
metabolic disorders and who participates in or is authorized by
the insurer, provided that the diet is deemed medically necessary
to avert the development of serious physical or mental disabilities
or to promote normal development or function as a consequence
of phenylketonuria (PKU): PKU or other digestive and inherited
metabolic disorders.

(c) Coverage pursuant to this section is not required except to
the extent that the cost of necessary formulas and special food
products exceeds the cost of a normal diet.
(d) For purposes of this section, the following definitions shall apply:

(1) “Formula” means an enteral product or enteral products for use at home that are prescribed by a physician or nurse practitioner, or ordered by a registered dietician upon referral by a health care provider authorized to prescribe dietary treatments, as medically necessary for the treatment of phenylketonuria (PKU) or other digestive and inherited metabolic disorders.

(2) “Special food product” means a food product that is both of the following:
   (A) Prescribed by a physician or nurse practitioner for the treatment of phenylketonuria (PKU) or other digestive and inherited metabolic disorders and is consistent with the recommendations and best practices of qualified health professionals with expertise germane to, and experience in the treatment and care of, phenylketonuria (PKU) or other digestive and inherited metabolic disorders. It does not include a food that is naturally low in protein, but may include a food product that is specially formulated to have less than one gram of protein per serving.
   (B) Used in place of normal food products, such as grocery store foods, used by the general population.

(e) This section shall not apply to vision-only, dental-only, accident-only, specified disease, hospital indemnity, Medicare supplement, long-term care, or disability income insurance, except that for accident only, specified disease, or hospital indemnity coverage, coverage for benefits under this section shall apply to the extent that the benefits are covered under the general terms and conditions that apply to all other benefits under the policy or contract. Nothing in this section shall be construed as imposing a new benefit mandate on accident only, specified disease, or hospital indemnity insurance.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIIIIB of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within...
the meaning of Section 6 of Article XIII B of the California Constitution.