

## **Electronic Delivery for Certain Health Insurance-related Documents; Coverage for Amino Acid-based Elemental Formula; SB 348**

**SB 348** authorizes electronic delivery as the standard method of delivery for certain health insurance-related documents and requires the State Employees Health Care Commission (Health Care Commission) to provide coverage for amino acid-based elemental formula, as specified.

### ***Electronic Delivery as the Standard Method of Delivery***

The bill amends the Electronic Notice and Document Act under the Insurance Code.

The bill authorizes a health benefit plan (plan) to utilize electronic delivery as the standard method of delivery for explanation of benefits and policy, including federally required summary of benefit and coverage documents, to a party when paper documents are readily available and notification has been provided to the party explaining the party's option to receive paper documents *via* U.S. mail.

The bill requires a plan to deliver paper documents *via* U.S. mail to a party if the party notifies the plan of a desire to receive the documents in such a manner instead of by electronic delivery.

The bill states "health benefit plan" has the same meaning as in KSA 40-4602 (any hospital or medical expense policy; health, hospital, or medical service corporation contract; a plan provided by a municipal group-funded pool; a policy or agreement entered into by a health insurer or health maintenance organization contract offered by an employer; or any certificate issued under any such policies, contracts, or plans; the definition excludes certain types of policies or certificates). The bill further specifies a "health benefit plan" also includes any individual health insurance policy, individual or group dental insurance policy, or nonprofit dental services corporation.

The bill defines a "nonprofit dental services corporation" as a nonprofit corporation organized pursuant to the Nonprofit Dental Service Corporation Act (KSA 40-19a01 *et seq.*).

The bill amends law related to the procedure for electronic delivery of notice in KSA 2017 Supp. 40-5804 under the Electronic Notice and Document Act to clarify such provisions are not applicable to the electronic delivery of explanation of benefits and policies, including federally required summary of benefit and coverage documents, to a party by a plan.

### ***Coverage for Amino Acid-based Elemental Formula; Report to the Legislature***

The bill requires the Health Care Commission (which administers the state health care benefits program for state employees and other qualified entities) to provide coverage for amino acid-based elemental formula, regardless of delivery method, for the diagnosis or treatment of food protein-induced enterocolitis syndrome, eosinophilic disorders, or short bowel syndrome if this formula is prescribed by a prescriber as defined in and authorized by the state Pharmacy

Act and who is also licensed by the applicable medical professional licensure entity in Kansas. This coverage begins at the start of the next plan year (January 1, 2019).

The bill requires the Health Care Commission, pursuant to the requirements of the Insurance Code regarding mandated health insurance benefits, to submit on or before March 1, 2020, a report to the President of the Senate and the Speaker of the House of Representatives. The report is to include the following information pertaining to the mandated coverage for amino acid-based elemental formula provided during the 2019 Plan Year:

- The impact this mandated coverage had on the state health care benefits program (also referred to as the State Employee Health Plan [SEHP]);
- Data on the utilization of coverage for amino acid-based elemental formula by covered individuals and the cost of providing such coverage; and
- A recommendation whether such mandated coverage should continue for the SEHP or whether additional utilization and cost data are required.

The Legislature is permitted to consider in the next session following the report (the 2020 Legislative Session) whether to mandate coverage for amino acid-based elemental formula in individual or group health insurance policies, medical service plans, health maintenance organizations, or other contracts that provide for accident and health services delivered, issued for delivery, amended, or renewed on or after July 1, 2021.