



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 1436

PRINTERS NO. 3892

PRIME SPONSOR: Truitt

### COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	\$0	See Fiscal Impact

**SUMMARY:** House Bill 1436, Printer's Number 3892, amends the Medical Foods Insurance Coverage Act to require health insurance policies to cover the cost of amino acid-based elemental medical formula for infants and children. This legislation is effective in 180 days.

**ANALYSIS:** This legislation requires coverage of amino acid-based elemental medical formula for infants and children prescribed by a physician and administered orally or enterally for IgE and non-IgE mediated food protein allergies, food-protein induced enterocolitis syndrome, eosinophilic disorders and short-bowel syndrome. The medical formula is subject to copayment and coinsurance provisions of a health care policy to the extent that other medical services covered by the policy are subject to the provisions.

**FISCAL IMPACT:** Approximately 450 Pennsylvania infants and children are in need of amino acid-based elemental medical formula. These formulas are already covered in the Medical Assistance Program; therefore, there should be no fiscal impact to the Commonwealth related to passage of this legislation. It is not known how many of the 450 children are enrolled in the MA Program and how many may be covered in through private insurance plans. A Commonwealth of Virginia Joint Legislative Audit and Review Commission study from September 2008, references a potential increase in premiums of .0147% to 0.0181% related to coverage of the formulas. Based on the current Children's Health Insurance Program (CHIP) premium rate of \$198 per month, this legislation could result in an increase of \$.03 to \$.04 per month in private insurance coverage. If most of these children are already covered in the MA program, the cost to private insurance would be negligible.

**PREPARED BY:** Ann Bertolino  
House Appropriations Committee (R)

**DATE:** June 30, 2014

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*