

SB 699 A -A6 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Meeting Dates: 5/8, 5/15

WHAT THE MEASURE DOES:

The measure expands requirements for individual and group health insurance plans to cover medically necessary prosthetic and orthotic devices, including their repair and replacement, and exempts the Public Employees' Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB) from certain coverage requirements unless they choose to opt in.

Detailed Summary

- Clarifies language in existing statute.
- Expands requirement that individual and group health insurance plans cover medically necessary prosthetic and orthotic devices.
 - Requires replacement of a device or its components when there is a change in an individual's condition, the condition of the device, or the cost of repair would exceed 60 percent of the cost of replacement. Permits an insurer to confirm medical necessity when the device/component requiring replacement is less than three years old.
 - Requires device or component repair when needed due to a change in the individual's condition or the condition of the device.
 - Requires coverage for devices that enable participation in physical activities that support whole-body health. Stipulates inexhaustive list of specific activities.
- Prohibits denial of coverage for individuals with limb loss, absence, or impairment if the same benefit would be covered for individuals without such conditions.
- Exempts OEBB and PEBB from certain coverage requirements, including requirement for devices that meet individual need for physical activities that support whole-body health, unless they choose to opt in.
- Applies to insurance policies issued, renewed, or extended beginning January 1, 2026.

Fiscal impact: Has minimal fiscal impact

Revenue impact: No revenue impact

SENATE VOTE: Ayes, 29

ISSUES DISCUSSED:

- Necessity of prosthetic and orthotic devices to support individuals in participating in activities of daily living
- Challenges for individuals accessing physical activity prosthetics
- Potential need for further language clarification

EFFECT OF AMENDMENT:

-A6 Clarifies language. Removes language that covered devices must not be solely for comfort or convenience.

BACKGROUND:

Orthopedic and prosthetic devices enable people to participate in education, work, and other physical activities. The Centers for Medicare & Medicaid Services (CMS) identify prosthetics as devices that replace a missing leg, arm, or eye; and orthotics as leg, arm, back, and neck braces, rigid and semi rigid devices used to support or restrict motion of a body part. Prosthetic devices are defined by CMS as those that replace all or part of an internal organ or the function of a permanently inoperative or malfunctioning internal organ. Medically necessary prosthetic devices are covered under Medicare Part B. Under Oregon Administrative Rule (410-122-0080),

prosthetic and orthotic devices are eligible for coverage under the state medical assistance program when certain criteria are met. The scope of coverage for these devices varies among private insurance plans.

Senate Bill 699 A expands requirements for individual and group health insurance plans to cover medically necessary prosthetic and orthotic devices, including their repair and replacement, and exempts PEBB and OEBC from certain coverage requirements unless they choose to opt in.

PRELIMINARY