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DIVISION OF INSURANCE

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LINDA RUTHARDT
COMMISSIONER OF INSURANCE

Bulletin No. 00-05

To: **Commercial Health Insurers, Blue Cross and Blue Shield of Massachusetts (BCBSMA), Health Maintenance Organizations**

From: Linda Ruthardt, Commissioner of Insurance

Re: **Diabetes Cost Reduction**

Date: **June 21, 2000**

This Bulletin is to inform carriers of the enactment of St. 2000, c. 81 (Chapter 81), An Act Relative to Diabetes Cost Reduction, which amends the following Massachusetts health insurance statutes: M.G.L. c. 175 §47N, c. 176A §8P, c. 176B §4S, and c. 176G §4H. Chapter 81, which becomes effective on August 2, 2000, applies to policies delivered, issued or renewed within or without Massachusetts to Massachusetts residents, except policies providing supplemental coverage to Medicare or other governmental programs, or self-funded health plans administered under the Employee Retirement Income Security Act of 1974 (ERISA).

Chapter 81 provides that coverage for specified diabetes-related items must comply with all other terms and conditions within an insurance plan, and may not be reduced or eliminated due to the requirements of Chapter 81. If the items are within a category of benefits or services for which coverage is otherwise afforded, nondiscriminatory treatment of benefits for diabetes-related services is mandated.

The Division will consider a carrier to be in compliance with the requirements of Chapter 81 if the mandated services and supplies are covered within the following categories of benefits:

- **outpatient services**: outpatient diabetes self-management training and education mandated by Chapter 81;
- **laboratory/radiological services**: all laboratory tests and urinary profiles mandated by Chapter 81;
- **durable medical equipment**: blood glucose monitors, voice-synthesizers and visual magnifying aids mandated by Chapter 81;
- **prosthetics**: therapeutic/molded shoes and shoe inserts mandated by Chapter 81; and
- **prescription drugs**: blood glucose monitoring strips, urine glucose strips, ketone strips, lancets, insulin syringes, insulin pumps and insulin pump supplies, insulin pens, insulin and oral medications mandated by Chapter 81.

For items in the last category, with the exception of an insulin pump, the Division will consider a carrier to be in compliance if a co-payment is applied for no less than a 30-day supply of the mandated item. The Division will consider it to be a violation of Chapter 81 if a carrier excludes from a particular category any of the above-noted items for diabetics. (For example, if a policy currently provides coverage for a particular category such as "prosthetics", but excludes "orthotics" from its definition of that category, it must now cover "orthotics" as mandated for coverage under Chapter 81. Similarly, if a carrier provides coverage for prescription drugs and supplies but excludes coverage for items available without a prescription, it nevertheless must provide coverage for such supplies as mandated by Chapter 81.) Please note that a carrier may cover the mandated services and supplies in categories different from those shown above if such treatment results in more generous coverage for the mandated benefits.

Please refer to the statutes, as amended, for a complete description of these new benefits. If you have any questions regarding this Bulletin, please call the Health Unit at the Division of Insurance at (617) 521-7349.