

# Senate Health and Human Services Committee

*Sophie Walsh 271-3469*

**SB 132-FN**, relative to health insurance coverage for prosthetics.

**Hearing Date:** January 29, 2025

**Members of the Committee Present:** Senators Rochefort, Birdsell, Prentiss and Long

**Members of the Committee Absent :** Senator Avard

**Bill Analysis:** This bill requires health insurance policies to provide coverage for adult prosthetics, including activity-specific prosthetic devices. Current law requires such coverage for children's prosthetics.

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**Sponsors:**

Sen. Gannon	Sen. Fenton	Sen. Watters
Sen. Ward	Sen. Rosenwald	Sen. Long
Sen. McGough	Sen. Pearl	Sen. Perkins Kwoka
Sen. Prentiss	Sen. Altschiller	Rep. Rice
Rep. Simpson	Rep. Weyler	

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**Who supports the bill:** Sen. Gannon, Giavanna Schembri, Michelle Schembri, Patrick Schembri, Jason Lalla (Next Step Bionics & Prosthetics), Sen. Rosenwald, Sen. Fenton, Sarah McCarthy, Sen. Altschiller, Amelia Thompson, Sen. Pearl, Sen. McGough, Krysten Evans (ABLE NH), Oliver Matte, Hannah Willcutt, and Curtis Register.

**Who opposes the bill:** Peter Bragdon (Harvard-Pilgrim), John Reynolds (National Federation of Independent Business – NH), Sabrina Dunlap (Anthem), Paula Rogers (AHIP), and Daniel Richardson.

**Who is neutral on the bill:** Jason Aziz, PhD (NH Insurance Department).

**Summary of testimony presented:**

Senator Bill Gannon, Senate District 23

- Senator Gannon said last year he saw a bill pass that provided insurance coverage for children to receive prosthetics for uses other than walking.
- He stated that this is a quality of life issue because there are adults who take part in sports and activities, and it adds to their quality of life.

- Senator Gannon explained that obtaining a new prosthetic can be difficult. One must have a significant change in quality of life by receiving the new prosthetic.
- However, some people may want adaptive prosthetics for biking, running, or other such activities. These prosthetics are not covered by insurance.
- Senator Gannon explained everyday prosthetics are not designed for sports. His prosthetic leg keeps him sturdy, but it does not provide the proper spring to jog or run.
- Senator Gannon assured the committee that the intent of this bill is not for individuals to have several extra prosthetics. Rather, it is intended to allow people to participate in an activity they like.
- Senator Gannon explained that insurance companies don't always see that getting exercise and staying in better shape now leads to lower costs in the long term.
- Most prosthetic limbs tend to cost around a low estimate of \$5,000. Senator Gannon emphasized that while there will be initial costs, there will be savings in the long term. This is ultimately better for everyone, including insurance companies.
- Senator Gannon emphasized that having a prosthetic suitable for a sport or activity will be a life changer for individuals.
- Senator Gannon said there are approximately 22,000 people who have experienced limb loss or were born with a congenital defect. There are approximately 20 legs or feet lost per year, and approximately 25 arms.
- Because the figures are so small, the cost will not be substantial. Furthermore, not every single person will want a secondary prosthetic; some individuals may be older and not so active.
- Senator Gannon noted that there may be a larger initial uptake, as there may be some built-up demand for this opportunity. However, this will slow down.
- Senator Gannon acknowledged that starting with children was the right place, but now it is time to include this larger age group.
- Senator Gannon emphasized that insurance companies could have a life changing impact for minimal costs on this small group of people.

#### Jason Lalla, Next Step Bionics & Prosthetics

- Mr. Lalla explained that he has a unique perspective on this situation because he is a prosthetist who lost his leg in a motorcycle accident when he was 18 years old.
- He acknowledged SB 177, the aforementioned bill providing children insurance coverage for prosthetics, and said it was a step in the right direction.
- Mr. Lalla explained that when he lost his leg in 1989, there was not proper technology to provide an array of prosthetics. There was not a lot of waterproof

options or options designed for specific activities. This held him back from things that he used to enjoy.

- Mr. Lalla said he was fortunate to have private insurance that covered a secondary prosthetic for biking. He said this significantly enhanced his life.
- People with prosthetics are interested in a variety of activities including swimming, biking, skiing, snowboarding, and running. Unfortunately, these activities cannot be done with a standard prosthetic.
- Mr. Lalla showcased a standard prosthetic leg to the committee. While the standard prosthetic leg has some degree of flexibility, it does not have enough for exercise or sport. He showcased a running blade to the committee and demonstrated the much better flexibility it has to support the activity of running or jogging,
- Mr. Lalla shared a personal story about how he had the opportunity to run the Olympic torch, but did not have a prosthetic he could properly run with. He was able to reach out to a private company that essentially gifted him a proper prosthetic for the occasion.
- Currently, if someone is interested in doing these sorts of activities with a prosthetic, they must approach foundations and hope to receive a grant for a prosthetic. However, if any parts break or do not fit, that person cannot go to insurance.
- Mr. Lalla explained that the positive effects of exercise are well known. It can prevent diabetes, cardiovascular disease, obesity, depression, and more. All of these conditions are associated with large costs, so if people stay healthy and active to prevent these conditions, money can be saved in the long run.
- Currently, veterans and potentially people with workers' compensation claims have access to secondary prosthetics.
- Mr. Lalla said he thinks less than half or even a third of his practice is people seeking secondary prosthetics. A lot of his patients are older and diabetic, so they are not necessarily as active.
- Mr. Lalla said he does not believe Massachusetts and Maryland have seen large numbers in implementing this measure.
- Mr. Lalla said he believes that if we invest in the wellbeing and health of people, then we will decrease healthcare costs to benefit everyone over time.

Jason Aziz, PhD, New Hampshire Insurance Department

- Dr. Aziz stated that he is the Director of Health Economics at the New Hampshire Insurance Department.
- Approximately two years ago, they completed a mandate study at the direction of the legislature for SB 177. The marginal cost value from that report was used to inform the fiscal note for this bill. It is approximately \$27,000 per unit based on the types of prosthetics being covered, but it is very variable.

- Mr. Aziz stated that the aforementioned population statistics are correct, but they represent the maximum eligible population. This is derived from the New Hampshire population-adjusted prevalence of limb loss patients in the state's commercial market.
- Even taking initial demand into account, Dr. Aziz finds it highly unlikely that the numbers will reach anywhere near the maximum population.
- Dr. Aziz stated that this only applies to the fully insured commercial market.
- Senator Prentiss asked if Dr. Aziz could share his perspective on healthy lifestyles and the potential return on investment that could be achieved in terms of preventing illness and expenses down the road.
- Dr. Aziz stated that he agrees with everything said by Senator Gannon and Mr. Lalla. He emphasized that there is both a social and fiscal impact, and provided an example of how diabetes and limb loss can affect metabolic changes and further health impacts.
- He explained that because this population of individuals is so small, the state-wide cost-savings may be correspondingly modest. However, Mr. Aziz emphasized that he feels strongly about the moral responsibility that society has to protect people from massive losses to their well-being.
- Senator Birdsell asked if there is data on the age brackets of those that have lost limbs in New Hampshire.
- Dr. Aziz explained there is national data that New Hampshire adjusted estimates could be derived from. He explained that younger people would probably be the highest up-takers of this if the bill were to be enacted.
- Senator Birdsell asked if self-funded plans or Medicaid cover these prosthetics.
- Dr. Aziz said he does not have any knowledge or data on that, but his assumption is that ambulatory prosthetics would be covered, but not secondary activity-specific ones. He noted one of the drivers of self-funded plans is to make those coverage decisions.

Peter Bragdon, Harvard-Pilgrim

- Mr. Bragdon stated that he is speaking in opposition to this bill.
- He explained that Harvard-Pilgrim currently covers medically necessary prosthetics, which are devices intended to enable patients to perform daily living activities. This coverage includes device maintenance, repair, and replacement.
- This bill would require Harvard-Pilgrim to expand their coverage to include prosthetics that are not medically necessary.
- Mr. Bragdon explained this will result in higher costs and ultimately higher premiums.
- Higher premiums are a primary reason why people stop purchasing insurance or increase cost-sharing or deductibles. This also applies for employers.

- When individuals don't have health insurance or have to pay higher out-of-pocket costs, they are more likely to delay or avoid treatment.
- Mr. Bragdon stated that the fiscal note indicated likely costs between \$20 million and \$60 million.
- He explained there are several bills this year dealing with mandated medical coverage. The combined impact of all these bills with mandates would equate to an increase of approximately \$50 - \$100 per member per month in insurance premiums.
- Mr. Bragdon emphasized that the idea behind this bill is not bad, but it will raise costs. Harvard-Pilgrim wants as many people as possible to have robust insurance plans, but mandates like this end up decreasing that.
- Mr. Bragdon noted that this bill will allow for one extra activity-specific prosthetic per year.
- Senator Prentiss noted that when SB 177 was introduced, many similar concerns were brought up and everyone worked together. She asked Mr. Bragdon if they could expect the same commitment to work this out.
- Mr. Bragdon assured the committee that they are willing to work on this bill like they worked on SB 177.
- Senator Rochefort noted that an individual with health issues such as diabetes or hypertension could also put pressure on premiums as well.
- Mr. Bragdon said he would assume so, and emphasized that a holistic view comes into play in these situations.
- Senator Rochefort asked that anyone with data submit it to the committee for consideration.
- Mr. Bragdon noted that the SB 177 mandate review was helpful, and it may be beneficial to complete a mandate review for this bill.

#### Giavanna Schembri

- Ms. Schembri explained that she was diagnosed in utero with amniotic band syndrome and was born missing her right arm below the elbow.
- She received her first prosthetic at six months old through Shriners Children's Hospital. They offer free prosthetics to children 18 years of age and younger. Ms. Schembri said Shriners' services have allowed her to live her life in the way she wants.
- Ms. Schembri has had about eight prosthetics throughout her life. They have different attachments to make them mobility-accessible for different activities.
- Ms. Schembri explained that she enjoys sports and outdoor activities such as swimming, soccer, and winter sports. She also plays the violin and piano. Participating in these activities are all possible through her prosthetics.
- Ms. Schembri said she thinks about what life will be like when she is too old to utilize Shriners and has to worry about the costs of her prosthetics if they break

or need to be repaired. She questioned if she will have to let go of the things that make her who she is.

- Ms. Schembri urged the committee to pass this legislation.
- Senator Long asked how often the attachments for the prosthetics last.
- Ms. Schembri showed her different prosthetics to the committee and explained that some attachments are more durable than others. While she has been able to keep many of her prosthetics for a while, she has had to replace outgrown prosthetics for bigger sizes.

#### Sabrina Dunlap, Anthem

- Ms. Dunlap stated that while she is speaking in opposition to this bill as written, she does appreciate the moving stories and Senator Gannon bringing this bill forward.
- Ms. Dunlap highlighted some policy concerns she has with the bill.
- This bill moves outside the realm of medical necessity. Centers for Medicare & Medicaid Services (CMS) considers any prosthetic outside daily function to be beyond medically necessary.
- This bill raises the issue of squeezing the fully insured market. Under state law, mandates only apply to the fully insured market.
- She believes using a January 1<sup>st</sup> effective date would be more practical.
- Ms. Dunlap explained that it may be helpful to see how SB 177 plays out for a year before this legislation is adopted. She believes only a handful of states have passed such bills for both children and adults.
- Ms. Dunlap emphasized that she would be happy to join any conversations in the future about this bill.
- Senator Rochefort recessed the hearing.