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HB 128

Tape #

14

Date

3/18

"An Act requiring that coverage for newly born children be included in individual or group health and disability plans."

## COMMITTEE REPORT

3/12/75

HOUSE

Mr. Speaker:

Date 3/12/75

The Committee on COMMERCE has had HR 128

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

J. J. Madley \_\_\_\_\_  
\_\_\_\_\_ \_\_\_\_\_  
Smith \_\_\_\_\_  
Freeman \_\_\_\_\_  
\_\_\_\_\_ \_\_\_\_\_

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

J. J. Madley Chairman



ALASKA STATE

MEDICAL ASSOCIATION

1135 W. Eighth Avenue • Anchorage, Alaska 99501 • (907) 277-6891

March 10, 1975

Representative Bob Bradley  
Chairman, Commerce Committee  
House of Representatives  
Juneau, Alaska 99801

Dear Representative Bradley:

It is our understanding that House Bill 128 - "An Act Requiring that Coverage for Newly Born Children be Included in Individual or Group Health and Disability Plans" has been referred to the Commerce Committee for consideration.

As indicated in our "Health and Legislative Action - 1975 - position packet", the Legislative Committee for the ASMA strongly supports passage of this legislation. Attached is some information which may be helpful to your committee in its deliberation.

We will very much appreciate that your committee give careful consideration to this legislation and we urge its passage. If we can answer further questions or provide additional information, we are pleased to do so.

Thank you for this consideration.

Sincerely,

*Carolyn V. Brown*

Carolyn V. Brown, M. D.  
Chairperson, Legislative Committee

cVB:m1m  
Enclosure

*File with other  
Bill data -  
Make copies for Tues.  
meeting.*

# HEALTH INSURANCE ASSOCIATION OF AMERICA

CHICAGO · NEW YORK · WASHINGTON

LESLIE P. HENRY, *President*

RESEARCH, STATISTICS, AND CONTROL DEPARTMENT

David Robbins, *Vice President and Controller*

New York Office  
750 Third Avenue  
New York, New York 10017

October 8, 1974

Mr. Vincent B. Jasso  
Deputy Superintendent  
State of New Mexico  
Department of Insurance  
Sante Fe, New Mexico 87501

Dear Mr. Jasso:

As I wrote you last week, we are in the process of developing estimated costs for the benefit provisions contained in the proposed New Mexico newborn infant coverage legislation. This data should be finalized in another few weeks.

In the interim, we learned from Mr. Young of the American Life Insurance Association that your Insurance Study Committee is scheduled to meet on October 10 and that you would be interested in the receipt of some preliminary results of our investigations. Our preliminary review of this matter indicates the following:

1. For those major medical contracts which now cover children from birth for sickness or injury and exclude only the first 7 days of hospital room and board charges while covering all other types of eligible expenses from birth, we estimate the additional cost of covering the first 7 days of nursery charges for sick infants to be about \$.80 yearly per employee for group coverage and about \$1.20 for individual coverage.
2. For a policy which provides no coverage at all for the first 14 days, we estimate the additional cost of the required coverage as approximately \$3.20 yearly per employee for group coverage and \$4.80 for individual coverage.

Mr. Vincent B. Jasso  
October 8, 1974  
Page 2

3. The exclusion of illegitimate children would make relatively little difference on the foregoing cost estimates.

Sincerely,



David Robbins  
Vice President and Controller

DR:pw

cc: Mr. Franklin H. Young - ALIA  
Mr. Carroll Callaway

Texas, Minnesota, Montana, North Carolina, and Louisiana. Thirteen other States have active pediatric committees working with their legislatures on laws that will include newborn care in comprehensive health insurance policies.

Another major concern is the manner in which coverage will be provided for children with handicapping conditions who require expensive, continuing care. At least some major medical insurance companies now exclude or limit payment for care of children with developmental disabilities. The Children's Hospital of Pittsburgh, Pa., has reported difficulties in collecting fees from major medical insurance groups for care of such children. It cited these problems as being significant: employees are unaware of major medical fringe benefits for which they are eligible; special services, such as speech therapy and psychological testing, are frequently not covered by insurance plans; insurance companies do not reply after a bill is submitted.

The New Jersey State legislature has passed a bill establishing a program to provide funds to pay for health services for children with terminal illnesses. An advisory committee is being organized to prepare for the operation of the program.

The coverage of insurance currently available for mothers and children has been studied by Dr. Arthur J. Lesser, Director of MCHS. In a speech at Johns Hopkins Hospital in February 1973, Dr. Lesser identified six significant gaps that frequently occur in insurance coverage:

1. Family unit coverage excludes single people and people not living with a family. For example, most of the 200,000 unmarried adolescent girls who have babies each year are excluded from maternity and infant benefits, although they are a major high-risk group.
2. Maternity benefits do not begin until 9 months after the effective date of the policy. This means that many thousands of recently married couples find that their insurance does not include the birth of their first child.
3. Maternity benefits are reduced by deductibles and coinsurance intended to limit unnecessary hospitalization. The average hospital stay for obstetrics is less than 4 days; however, many policies do not

cover the first 2 days and then require cost sharing by the patient.

4. Time limitations (coverage of the infant beginning 30 days after birth) and preexisting conditions (prior to birth) exclude insurance for premature infants and infants born with congenital anomalies.
5. Virtually all catastrophic illness insurance is planned for adults, yet the unexpected and unplanned costs of having a premature baby or a baby with congenital anomalies or costly acquired illnesses are enormous. Many young couples face "ruinous costs of a catastrophic nature under those circumstances."
6. Health insurance is basically a middle-class system and is not as responsive to the needs of many poor, disadvantaged, or handicapped. "It cannot be expected to substitute for many services characteristically provided by health departments and organized community health programs. This is particularly true of those services provided by staff other than physicians—that is, health education, screening and casefinding, public health nursing, social services, nutrition education, speech and hearing, and various appliances and prostheses."

In his speech at Johns Hopkins, Dr. Lesser went on to say he believes that clinical resources must be an integral part of any health care system financed by insurance.

### Hospitals and Children

Among children under 17, the lower their family income, the greater the likelihood of hospitalization.

This is one of a number of facts that may be gleaned from data published by the National Center for Health Statistics on utilization of hospitals and other medical care. The data are based on health interviews conducted in 1968 and 1969.

For the 1968-69 period, hospital discharges per 1,000 population for children under age 17 amounted to 79.8 for children in families with less than \$3,000 income, 74.3 for those with incomes from \$3,000 to \$3,999, dropped gradually to 58.9 when family income was \$10,000 to \$14,999, and reached the low point of 49.7 when incomes were \$15,000 or more. On the other hand, only 23.3 percent of children living in families



STATE OF WASHINGTON

OFFICE OF THE GOVERNOR

OLYMPIA

DANIEL J. EVANS  
GOVERNOR

February 16, 1974

To the Honorable, the House  
of Representatives of the  
State of Washington

Ladies and Gentlemen:

I am returning herewith without my approval as to certain items House  
Bill No. 1144 entitled:

"AN ACT Relating to health care."

This bill provides for coverage to newborn infants in various forms of  
health care service insurance coverage to close a gap that has long  
existed by the exclusion from coverage of newborn infants until a certain  
number of days after birth. As a result of this exclusion, many families  
have been hard hit by major medical expenses that could not have been  
anticipated.

Sections 1, 2, and 3 of the bill each contains an item that would exclude  
from the coverage provided to newborn infants "benefits for routine well-  
baby care." Nowhere in the bill is there a definition of what constitutes  
routine well-baby care, and without such definition exclusions could be  
written into future coverage that could well defeat the purpose of this  
bill.

Moreover, experts in pediatric care have long maintained that there is no  
such thing as a "well-baby" during the first 48 hours of an infant's life.  
During those critical first 48 hours, a newborn infant is highly susceptible  
to a number of potentially serious physical malfunctions, and the high  
degree of care necessary to carry a newborn infant through this period  
could be discouraged by a broadly written well-baby care exclusion in health  
care insurance contracts.

For these reasons, I have determined to veto the referenced items in  
sections 1, 2, and 3 of the bill. With the exception of those items,  
the remainder of House Bill No. 1144 is approved.

Respectfully submitted,

Handwritten signature of Daniel J. Evans in cursive script.  
Daniel J. Evans  
Governor

DJE:bg

IN THE LEGISLATURE  
of the  
**STATE OF WASHINGTON**



CERTIFICATION OF ENROLLED ENACTMENT

HOUSE BILL NO. 1146

CHAPTER NO. \_\_\_\_\_

Passed the House January 25, 1974

Yeas 5 Nays 4

Passed the Senate February 6, 1974

Yeas 44 Nays 0

The House concurred in  
the Senate amendments and  
passed the bill as amended,  
February 8, 1974.

Yeas 94 Nays 3

CERTIFICATE

I, Dean R. Foster, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is enrolled House Bill No. 1146 as passed by the House of Representatives and the Senate on the dates herein set forth.

*Dean R. Foster*  
Chief Clerk

- (5) Intestinal tract - no "routine" feedings until patency and mobility of intestinal tract demonstrated (meconium ileus intestinal obstruction) - no "routine" feedings until age 48 hours.
- (6) Blood oxygen level and oxygen supply to organs subnormal until 24-48 hours.
- (7) Infection: Special care to prevent "colonization" until age 48 hours.
- (8) Lungs: Abnormal per x-ray until average age of 12 hours.
- (9) General physiology (homeostasis) - instability of interacting body organs, fluids and functions, until age 48 hours.
- (10) Seizures - due to low blood sugar, hypothermia, brain hemorrhage, etc., first signs or onset up to age 48 hours.
- (11) Jaundice - (high blood bilirubin) due to Rh factor, other blood group incompatibility, liver malfunction, infection, etc., first signs or onset up to age 48 hours.
- (12) Meningitis, blood stream sepsis, etc., first signs or onset up to age 48 hours.

Further information regarding special (non-well) infant care necessity for minimum of 48 hours:

a. Newborn Infants not released from quality newborn nurseries (i.e., U. of W.) until after age 48 hours without parents signing an A.M.A. (Against Medical Advice) statement.

b. This year, Washington State Chapter, AAP, obtained \$25-50,000 March of Dimes grant for statewide "Infant Care Program," Janet Murphy, M.D., director, to conduct appraisal and consultation service for care of newborn infants in the 97 hospitals in Washington State with newborn infant nurseries.

c. University of Washington Medical School and School of Nursing students are taught the 48 hour minimum special infant care policy.

Conclusion: The non-well newborn infant or special newborn infant treatment & care situation prevails for a minimum of 48 hours.

Summary prepared by:

*Robert Polley*  
Robert Polley, M.D.

2/3/74

ORIGINAL DRAFT OF POSITION STATEMENT

WASHINGTON STATE CHAPTER ON NEWBORN INS.



American Academy of Pediatrics

2/3/74

POSITION STATEMENT ON NEWBORN INFANT MEDICAL INSURANCE  
WASHINGTON STATE CHAPTER, AMERICAN ACADEMY OF PEDIATRICS (AAP)  
(WASHINGTON STATE SOCIETY OF PEDIATRICS).

Consensus Summary developed by:

Washington State Chapter, AAP, Fetus and Newborn Committee:

Donald Sutherland M.D., Bellevue, Chairman  
William A. Hodson, M.D., Director Newborn Service, University of Washington  
Errol Alden, M.D., Director Newborn Service, Madigan General Hospital, Tacoma  
David E. Woodrum, M.D., Dir. Newborn Service, Children's Orthopedic Hospital,  
Seattle.  
Robert Polley, M.D., Seattle.

David Sparling, M.D., Tacoma; State Chapter Chairman, 1974.

Michael Donlan, M.D., Spokane; State Chapter Alternate Chairman, 1974

Robert A. Tidwell, M.D., Seattle, Chairman Legislative Committee.

Robert Polley, M.D., Seattle, Chairman 3rd Party (Medical Insurance) Committee.

Blackburn Joslin, M.D., Mercer Island, Past State Chairman.

Abraham Bergman, M.D., Director Outpatient Clinic, Children's Orthopedic Hospital,  
Seattle; President, National Foundation for Sudden Infant Death.

THOMAS C. COCK CHMN. DISTRICT VII AAP.

Topics:

a. "Neonates" (newborn infants) do not become candidates for routine or well newborn infant care until age 48 hours at the earliest.

b. Information:

(1) Disappearance of lung fluid and lung aeration (expansion), approximately 48 hours.

(2) Establish normal heart function with disappearance of murmurs and reverse blood flow through foramen ovale and ductus - 24 to 48 hours.

(3) Temperature (thermal) instability; inability to maintain adequate body temperature without external added heat source - 24 to 48 hours.

(4) Fluid balance, acid base balance, kidney function, urine production, etc., unstable until age 24-48 hours.

FINAL DRAFT - 3/4/74

POSITION STATEMENT ON NEWBORN INFANT MEDICAL INSURANCE  
WASHINGTON STATE CHAPTER, AMERICAN ACADEMY OF PEDIATRICS (AAP)  
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Robert Polley, M.D., Seattle; Chairman, 3rd Party (Medical Insurance) Committee.

Blackburn Joslin, M.D., Bellevue; Past State Chairman.

Al Skinner, M.D., Mercer Island; Past State Chairman.

Abraham Bergman, M.D., Director Outpatient Clinic, Children's Orthopedic  
Hospital, Seattle; President, National Foundation for Sudden Infant Death.

Thomas C. Cock, M.D., Chairman, District VIII, AAP.

During the first nine months of life the human dwells in a warm aquatic environment. He receives his total nutritional support from his mother and, with a few exceptions, his bodily functions (e.g. gas exchange, endocrinologic, excretory) are accomplished by the placenta. With birth, the above situation is drastically altered in a very short period of time. There is, in fact, no age during life when so many major adaptations necessary for intact survival occur in such a short time span.

Immediate survival is accomplished by clearance of lung fluid, its replacement with air, and activation of surface active material lining the gas exchange surface of the lung. The result of these processes is an elevation of the oxygen tension in the arterial blood, an increase in pulmonary blood flow, and gradual closure of the fetal shunts (Foramen, Ovale and Ductus Arteriosus).

Adaptive processes of a more gradual but equally important nature involve the gastrointestinal tract - which for the first time must manifest patency from the mouth to the anus; the renal and genitourinary tract - must assume control of fluid and electrolyte balance, and solute excretion; metabolic and endocrine activities vital to nutritional homeostasis, growth and modifications of drugs or bodily breakdown products (e.g. bilirubin) necessary to facilitate excretion.

The newborn is at a further disadvantage in terms of his or her ability to adjust to a new environment. Heat losses may be extensive due to the inordinately high body surface to weight ratio that the small infant manifests, hence the ability to withstand environmental cold stress is severely compromised. Furthermore, inadequate or immature immunologic defense mechanisms impair the ability to ward off certain types of infection.

All of these transitions and/or adjustments occur or have as their major time of impact during the first 48 to 72 hours of life, and the vast majority of potentially anatomic, physiologic or biochemical deviations from normal may be recognized during this time period. With this in mind, it is the policy of this Committee as well as the recommendations of the Department of Pediatrics, Division of Neonatal Biology, University of Washington School of Medicine that optimum care for all newborn infants include a comprehensive physical examination, competent physician and nurse medical care and hospitalization during the first 48 hours of postnatal life.

R. Paley  
4/4/74.

HOUSE BILL NO. 1144

State of Washington  
43rd Legislature  
3rd Extraordinary Session

by Representatives Ceccarelli,  
Pardini and Perry

Read first time September 12, 1973, and referred to Committee on Financial Institutions.

1 AN ACT Relating to health care; adding a new section to chapter 48.20  
2 RCW; adding a new section to chapter 48.21 RCW; adding a new  
3 section to chapter 48.44 RCW; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. Section 1. There is added to chapter 48.20 RCW a  
6 new section to read as follows:

7 Any disability insurance contract providing hospital and  
8 medical expenses and health care services, delivered or issued for  
9 delivery in this state more than one hundred twenty days after the  
10 effective date of this 1974 act, which provides coverage for  
11 dependant children of the insured, shall provide coverage for newborn  
12 infants of the insured from and after the moment of birth. Coverage  
13 provided in accord with this section shall include, but not be  
14 limited to, coverage for congenital anomalies of such infant children  
15 from the moment of birth, but need not include benefits for routine

16 well-baby care.

17 NEW SECTION. Sec. 2. There is added to chapter 48.21 RCW a  
18 new section to read as follows:

19 Any group disability insurance contract except blanket  
20 disability insurance contract, providing hospital and medical  
21 expenses and health care services, renewed, delivered or issued for  
22 delivery in this state more than one hundred twenty days after the  
23 effective date of this 1974 act, which provides coverage for the  
24 dependant children of persons in the insured group, shall provide  
25 coverage for newborn infant children of persons in the insured group  
26 from and after the moment of birth. Coverage provided in accord with  
27 this section shall include, but not be limited to, coverage for  
28 congenital anomalies of such infant children from the moment of

1 birth, but need not include benefits for routine well-baby care,

2 NEW SECTION. Sec. 3. There is added to chapter 48.44 RCW <sup>retained</sup>  
3 new section to read as follows: *dyk*

4 Any health care service plan contract under this chapter  
5 delivered or issued for delivery in this state more than one hundred  
6 twenty days after the effective date of this 1974 act, which provides  
7 coverage for dependent children of the insured or covered group  
8 member, shall provide coverage for newborn infants of the insured or  
9 covered group member from and after the moment of birth. Coverage  
10 provided in accord with this section shall include, but not be  
11 limited to, coverage for congenital anomalies of such infant children <sup>retained</sup>  
12 from the moment of birth, but need not include benefits for routine *dyk*  
13 well-baby care.

14 NEW SECTION. Sec. 4. There is added to chapter 48.52 RCW a  
15 new section to read as follows:

16 Any self insurer providing coverage or health care benefits or  
17 services for dependent children shall include coverage or health care  
18 service benefits or services for congenital anomalies of newborn  
19 children from the moment of birth.

20 NEW SECTION. Sec. 5. This 1974 act is necessary for the  
21 immediate preservation of the public peace, health and safety, the  
22 support of state government and its existing public institutions, and  
23 shall take effect immediately.

Passed the House February 8, 1974.

*James A. Bush*  
Speaker of the House.

Passed the Senate February 6, 1974.

*Cecil Henry*  
President of the Senate.

Approved February 16, 1974  
with the exception of certain  
items which are vetoed.

Governor of the State of Washington -2-

HB 1144

**Age of Majority**—Amended various sections of the law to provide 18 as the age of majority. (Chapt. 94, Laws 1973.)

**Autopsies**—Amended the law "to require that a written report of all autopsies of a human body be sent to the physician attending the person at the time of death and to the hospital and skilled nursing facility where the person died in addition to other recipients as presently provided by law." (Sec. 69-5104, R.C.M. 1947).

**Controlled Substances**—Enacted a statute containing, to a substantial degree, the provisions of the Uniform Controlled Substances Act. (Chapt. 412, Laws 1973).

**H.M.O.**—A joint resolution provides for a study of Health Maintenance Organizations in other states. (S.J.R. 34.)

**Malpractice**—Added nursing home administrators and long-term care facilities to the list (which includes physicians, surgeons, and other health care professionals) of those: 1) against whom actions for malpractice must be commenced within three years after the date of injury or three years after the plaintiff discovers, or through the use of reasonable diligence should have discovered, the injury whichever occurs last, but in no case may such action be commenced after five years from the date of injury. However, this time limitation shall be tolled for any period during which such person (the defendant) has failed to disclose any act, error, or omission upon which such action is based and which is known to him, or through the use of reasonable diligence subsequent to said act, error or omission would have been known to him.

2) against whom cancellations or increases in premium rates of professional liability insurance by reason of unfounded claims is prohibited, 3) to whom 60 days written notice of cancellation or increase in premium rates of professional liability insurance is required. (Secs. 93-2624, 40-4413 and 40-4414, R.C.M. 1947.)

**Mental Illness**—Enacted statutes establishing a program of protective services for the mentally disabled, and allowing "non-profit organizations to establish community homes for the developmentally disabled . . ." (Chapts. 308 and 373, Laws 1973.)

A joint resolution was enacted "declaring the rights of mentally retarded persons as to opportunities for normalization." (H.J.R. 11.)

**Newborn Infants**—Enacted a statute requiring tests for "inborn metabolic errors" of newborn infants. (Chapt. 227, Laws 1973.)

**Newborn Insurance Coverage**—Enacted a statute providing that "disability insurance policies and plans covering members of the insured's family as well as the insured shall grant immediate accident and sickness coverage, from and after the moment of birth, to each newborn infant of any insured." (Secs. 40-4002, 40-4002.1, and 40-4102, R.C.M. 1947.)

**Osteopathy**—Amended the law regarding reciprocity for doctors of osteopathy, to provide that those osteopathic physicians holding a degree of Doctor of Osteopathy granted after 1955, "will be certified in the same manner as provided for physicians." (Sec. 66-1025, R.C.M. 1947.)

**Prenatal Care**—Enacted a statute requiring a standard serological test for women seeking prenatal care.

The term "standard serological test" means "a test for syphilis, rubella immunity, and blood group . . ."

The statute provides that "every female, regardless of age or marital status, seeking prenatal care from a physician, is required to submit blood specimen for the purpose of a standard serological test."

The statute mandates confidentiality of the test results. The unauthorized disclosure of such information is a misdemeanor.

A district court may waive the requirements of the Act if the judge is satisfied that

Montana

patients. Among numerous other rights, the Act provides that each patient has a right to have an individual treatment plan setting forth a program which will develop or restore his capabilities. (G.S. 122-45.1-7; 122-36; and 20-17.1.)

**Newborn Infants—Mandatory Insurance Coverage**—Enacted a statute to provide mandatory insurance coverage for newborn infants from "the moment of birth of such child" in all policies providing coverage of minor children.

The Act provides that "benefits in such insurance policies or plans shall be the same for congenital defects or anomalies as are provided for most sicknesses or illnesses suffered by minor children which are covered by said policies or plans." (G.S. 58-251.4.)

**Nurses—Expanded Scope of Practice**—Amended the Nurse Practice Act and the Medical Practice Act to allow nurses to perform certain medical acts.

A joint committee of the board of nursing and the board of medical examiners is to "develop rules and regulations to govern the performance of medical acts by registered nurses."

The board of medical examiners has the responsibility for securing compliance with the regulations. (G.S. 90-158(3); 90-162; 90-167.1, 90-170(2)c; 90-18, and 90-6.)

Also, the Hospital, Medical and Dental Service Corporation Acts, and the Insurance Act were amended to provide that reimbursement shall not be denied to "any agency, institution or physician providing a service for which payment or reimbursement is required to be made . . ." under a policy or contract because such services were provided through a registered nurse acting under the authority of the above legislation and appropriate regulations. (G.S. 58-259.2; 57-3.2.)

**Optometry**—Enacted a new statute governing the licensure and regulation of optometrists.

One provision states that a patient shall not be denied "the freedom to choose a duly licensed optometrist or duly licensed physician as the provider of care or services which are within the scope of practice of the profession of optometry . . ." through any action of any state, county or municipal agency or board. (Chapt. 800, Laws 1973; G.S. 9-117 to 90-124.)

**Rate Review**—Enacted a resolution authorizing and directing the Public Health Committee in the Senate and the House of Representatives to study the need for and means of review for regulation of hospitalization rates and charges. (H.J.R. 1244.)

**Rural Health**—Enacted a statute creating a Rural Community Health Assistance Division within the Department of Human Resources. (Chapt. 627, Laws 1973.)

**Workmen's Compensation**—Amended the law to provide for increased medical benefits, including rehabilitation services for injured employees. (Chapt. 520, Laws 1973.)

## NORTH DAKOTA

**Abortion**—Adopted a resolution requesting the Congress of the United States to propose an amendment to the U.S. Constitution for ratification by the states "which will guarantee the right of the unborn human to life throughout its intrauterine development subordinate only to saving the life of the mother, and will guarantee that no human life shall be denied protection of law or deprived of life on account of age, sickness, or condition of dependency."

The Resolution noted that "77% of those voting in the November 7, 1972 general election in North Dakota rejected abortion as an alternative to solving the problems of maternal and prenatal and natal health . . ." (S.C.R. 4069).

**Alcoholism**—Enacted a resolution recognizing that "alcoholism is the third largest health problem in North Dakota" and "expressing support and encouragement for

North  
Carolina

**Kidney Disease**—Enacted a statute providing for the establishment of a program relating to the prevention, care and treatment of chronic kidney disease, and creating a Division of Kidney Health Care within the State Department of Health.

Under the Act, kidney care services are to be provided "directly or through public or private resources". The repayment of certain treatment costs, as well as the expansion of educational programs concerning chronic kidney disease are, also, provided for in the Act. (Vernon's Ann. Civ. St. Art. 4477-20.)

**Medical Student Loans**—Enacted a statute creating the State Rural Medical Education Board.

Duties of the Board will include providing "loans, grants or scholarships to students desiring to study medicine and agreeing to practice in rural areas."

The Act provides that

if the applicant practices his profession in a rural area as defined by this Act the Board is authorized and shall credit one-fifth of the loan, grant or scholarship together with interest thereon to the applicant for each year of such practice as certified by the board.

At the end of the second full year of practice in a rural area as provided for herein, the applicant shall be privileged to pay off the balance of the loan, grant or scholarship as the case may be with accrued interest thereon, and upon such payment shall be relieved from further obligation under his contract. Should the applicant default under his contract at any time the full principal and accrued interest plus a penalty of 10% of the outstanding balance plus attorneys' fees as defined by said contract shall be due and owing to the state.

Applicants must enter into a contract agreeing to practice in a rural area before being granted a loan. The statutory provision is as follows

Each applicant before being granted a loan, grant or scholarship shall enter into a contract with the Board which shall be deemed a contract within the State of Texas, agreeing to the terms and conditions upon which the loan or scholarship shall be granted to him, which said contract shall include such terms and provisions as will carry out the full purpose and intent of this Act, and the form thereof shall be prepared and approved by the Attorney General of this State, and shall be signed by the Chairman of the Board, countersigned by the Secretary, and shall be signed by the applicant.

For purposes of entering into contracts under the Act, applicants under the age of 21 may do so with the same authority and validity as applicants 21 years of age or older.

The term "rural areas" means "a county of the state of Texas which according to the last preceding Federal Census had a population of less than 25,000." (Vernon's Ann. Civ. St. Art. 4498c.)

**Newborn Health Insurance Coverage**—Enacted a statute prohibiting the issuance or delivery of any accident and sickness insurance policy within the state "which provides for accident and sickness coverage of additional newborn children or maternity benefits" if such policy "contains any provisions excluding or limiting initial coverage of a new born infant for a period of time, or limitations or exclusions for congenital defects of a newborn child."

An insurer "may charge such additional premiums as are just and reasonable for the additional risk incurred by compliance with this Act." (Adds Subsec. D to Article 3.70-2, Vernon's Texas Insurance Code.)

**Pediatrics**—Enacted a statute authorizing the creation of a College of Podiatry within the University of Texas educational system. (Adds Subchapt. J to Chapt. 74, Education Code.)

**Workmen's Compensation**—Among numerous amendments to the Workmen's Compensation Law, one grants the employee "the sole right to select or choose the persons or facilities to furnish medical and chiropractic services, hospital services . . ." (Vernon's Ann. Civ. St. Art. 8306, Sec. 7.)

	Citation	Effective Date	Comments
Alabama			
Alaska			
Arizona	H. 2185	1974	Substantially the model bill
Arkansas			
California		1973	
Colorado			
Connecticut	H. 5040	1974	Model bill in substance
Delaware			
Florida	S. 76	1974	Model without notice paragraph
Georgia	H. 995	11-1-74	Model w/ well baby excluded.
Hawaii	H. 2915	6-12-74	Model bill
Idaho	S. 1316	7-1-74	Interpreted as the model bill
Illinois			
Indiana			
Iowa	S. 1290	1974	Model bill
Kansas	H. 1795	1974	Model bill
Kentucky			
Louisiana		7-2-73	
Maine			
Maryland	H. 498	1974	Model bill
Massachusetts			
Michigan			
Minnesota		1973	
Mississippi	S. 1829	1974	Deviates from model bill
Missouri	H. 1487	1974	Model bill
Montana		1973	
Nebraska			
Nevada			
New Hampshire			
New Jersey			
New Mexico			
New York			
North Carolina		1973	
North Dakota			
Ohio	S. 330	1-1-75	Substantially model bill
Oklahoma			
Oregon			
Pennsylvania			
Rhode Island			
South Carolina			
South Dakota	H. 1818	7-1-74	Model bill
Tennessee	H. 1386	7-1-74	Substantially model bill
Texas		1973	
Utah			
Vermont			
Virginia			
Washington	H. 1144	2-16-74	Model bill.
West Virginia			
Wisconsin			
Wyoming			

# Neonate Insurance Inclusion Now Required in 21 States

*World Medical Reports*

EVANSTON, Ill. — Legislation requiring all health insurance policies to include coverage for neonates from the moment of birth is now on the books in 21 states—14 more than at the beginning of the year—and the advocates of such legislation expect favorable action in a dozen other states in the next 12 months.

Leading the campaign to eliminate the exclusion of coverage for newborns are the American Academy of Pediatrics, its Committee on Third Party Payment Plans, and the AAP's state chapters.

Coverage of newborns from the time of birth is now required in the insurance laws of Arizona, California, Connecticut, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Montana, North Carolina, South Carolina, South Dakota, Tennessee, Texas, and Washington.

In the states where exclusion of newborns from insurance coverage has not been prohibited, instances have been recorded by state chapters of the American Academy of Pediatrics in which parents have found themselves confronted with hospital bills of \$12,000, \$27,000 and even larger amounts. In Akron, Ohio, a \$50,000 hospital bill for a newborn's intensive care was reported.

## 14 Day Exclusions

Dr. Donald W. Schiff, of Littleton, Colo., chairman of the AAP's Committee on Third Party Payment Plans, told this newspaper that the period of exclusion in many insurance policies was the first 14 days of life.

A common practice of health insurance companies is to "extend the exclusion of the newborn until the child is discharged from the hospital" if the child needs above-average care during its first 14 days, said Dr. Schiff, of the University of Colorado Medical School and senior pediatrician at the Littleton Clinic, Denver.

"As an example, a newborn with difficulty on its first day who must be kept in intensive care for 30 days may be under the exclusion from coverage for the entire 30-day period," said Dr. Schiff, who is also the chairman of the Colorado chapter of the American Academy of Pediatrics.

The Committee on Third Party Payment Plans has drafted a model bill and circulated it to all state chapters of the AAP. This action was taken after a mass of information had been assembled about the financial calamities striking parents as the result of the exclusion of newborns from health insurance coverage.

The model bill is used by AAP members in the various states in their efforts to obtain remedial legislation.

The committee, in a letter sent to the state chapters, scored "the continued existence of exclusionary periods of coverage for newborn infants in a large number of health insurance plans."

"Failure of these plans to provide coverage for infants from the moment of birth is a valueless, discriminatory practice that results in the risk of needless potentially large financial burdens being placed on young parents," the letter said.

The model bill or state insurance legislation amended to conform with the model bill "is the way young couples can be helped in meeting this expensive situation



Dr. Schiff

through their health insurance," Dr. Schiff said.

"We think young parents should not be  
(Continued on page 72)

# Newborns Under the Law of 21 States

(Continued from page 2)

penalized for having a newborn with a major problem."

The AAP's model bill provides that the coverage of dependents in policies shall include coverage for infants from the moment of birth. The draft calls for treatment for injury, sickness, congenital defects, and birth abnormalities.

Of the 29 states that have not yet enacted legislation making the inclusion of newborn coverage mandatory, efforts to obtain such legislation were underway this year in 24, said Albert C. Stolper, an aide to the Committee on Third Party Payment Plans.

Insurance carriers in Texas, Louisiana, and Georgia provided estimates of the cost involved if newborn coverage from the moment of birth were to be added. The figures were as follows: Texas, 45-55 cents per month per family contract; Louisiana, 50 cents per month per family contract; and Georgia, 15-30 cents per month per family contract.

## AMA Backing

In California, Blue Cross discovered that the cost of adding coverage for newborns was so small that it was unnecessary to increase the premiums "for either individual policies or group policies," Mr. Stolper said.

The American Medical Association has given its backing to the efforts of the American Academy of Pediatrics. After listening to the testimony of AAP representatives, the AMA's House of Delegates, at its New York meeting in June, 1973, adopted a resolution that said the American Medical Association supported "the eradication from health insurance policies sold in various states of the 'first 14 days' and other exclusionary clauses affecting children."

Dr. Schiff said the Committee on Third Party Plans, in developing its model bill, worked closely with the Health Insurance Association of America.

"Our objective has been to obtain the cooperation of the insurance companies and to use the legislative process in the states to solve the problem of newborn exclusion from coverage in a constructive way," the committee chairman said.

"There can be no question that coverage for newborns is very important, but unless this kind of experience has touched one's own family, chances are that you won't be aware of the problem.

"It has been assumed, not only by members of the public but also by many pediatricians and other physicians, that coverage for newborns is always in effect. In over half of the states this is not so. What we are trying to do is to obtain the legislation that will take care of the many people who are not covered for newborns at the present time," Dr. Schiff said.

Testimony by John Coogan

MEMO TO FILE

HS-128

2-7-75

This bill would require that any insurance policy or indemnity type contract providing health coverages on an expense incurred basis, include coverage for newly born children. This particular bill is nearly identical with a model bill prepared by the American Academy of Pediatrics with the assistance of the Health Insurance Association of America. This bill was endorsed by the National Association of Insurance Commissioners. As of June, 1974, this bill was law in (17) states and pending in 10 more. Considering that the model was developed in November, 1973, its popularity and passage in this many states is remarkable.

3-10-75

HEARING BEFORE HOUSE HESS. - BILL PASSED OUT WITH UNKN. DO PASS.

3-18-75

HEARING BEFORE HOUSE COMMERCE -

*Thanks for your interest -  
This material also sent to Lowell Thomas Jr.  
99510*

January 17, 1974

The Honorable Helen Beirne  
Alaska State House of Representatives  
Juneau, Alaska 99801



Dear Dr. Beirne:

The Alaska Chapter of the American Academy of Pediatrics is very concerned about the frequent lack of health insurance coverage for newborn infants. Very exciting new advances in the care of prematures or ill newborns has resulted in a significant decrease in deaths and serious life long disability in these infants. This care obviously is very expensive.

Probably the majority of families in Alaska carry health insurance but many are not aware that this policy will not cover a newborn infant. This, we feel, is grossly unfair to these infants and can be financially crippling to their families (often young couples with marginal incomes).

The attached resume prepared at Providence hospital demonstrates that many of the significant insurance carriers in Alaska do not cover newborns except after a 14 day exclusary period. We particularly call your attention to the groups such as laborers, carpenters, and teamsters where the insurance is probably an employment benefit and the average employee would assume that their family is protected.

The Academy of Pediatrics has been active nationally in bringing this to the attention of legislators. In Alaska we are asking that you consider regulations that would require all health insurance policies to cover newborn infants without exclusion. Enclosed is a model law, drafted by Mr. Carroll Calloway, Assistant General Counsel for the Health Insurance Association of America. Similar legislation has been passed by 7 states and is being considered by 26 others.

I have discussed this problem with the insurance Commissioner in Alaska, Mr. O'Shea, and he is well informed about the problem and would be prepared to testify if called.

We are aware that similar legislation relating to mental health problems is being considered. We feel our concern about coverage for newborns should be addressed as a separate issue but will leave this to your judgment.

We can supply further information if necessary for any testimony in this matter.

Thank you for your consideration.

Sincerely yours,

J. Kenneth Fleshman, M.D.  
Chairman, Alaska Chapter  
American Academy of Pediatrics

Richard Peterson, M.D.  
Alternate Chairman

Attachments: 2

cc: Rodman Wilson, M.D., ASJA  
John O'Shea, Insurance Commissioner, State of Alaska

Same letter to Senator Lowell Thomas, Jr.

TO: Frederick McGinnis  
Commissioner

THRU: Donald K. Freedman, M.D., M.P.H.  
Director, Division of Public Health

DATE : September 27, 1974

FROM: David A. Spence, M.D., Chief  
Section of Family Health

SUBJECT: Proposed legislation for the  
1975 Legislature.

In the last legislative session, Senate Bill 359 was introduced on February 11, 1974, by Senator Lowell Thomas. This Bill would have required that newly-born children be included in group health and disability insurance. This Bill was tied to insurance for alcoholism and was still in committee at the close of the legislative session.

The need for this legislation is greater this year because advances in neonatal care, while preserving intellect and life itself for the premature, are more expensive. We request that this Bill be submitted in essentially the same form again in this next legislative session. Your submission of this legislation will indicate its importance to the legislators and the public as well.

DAS/lb

cc: Dr. Carolyn Brown, Legislative Committee, ASMA

MEMORANDUM

December 5, 1973

TO: GARY WANGSMO, Controller  
FROM: Bob Harvey, Business Office Manager  
SUBJECT: Coverage for infants

---



Insurance companies generally offer an employer several ways of providing coverage for newborn babies under group health insurance plans.

They are:

- 1) Coverage from birth, limited: In this case, the infant is covered from birth but only for treatment of a disease, injury, congenital deformity or hereditary complications. Prematurity, per se, is not covered.
- 2) Coverage from birth, full: The infant is covered from birth including the cost of nursery, normal baby care, and special care for prematurity.
- 3) Coverage after a certain number of days--commonly 14 days: The infant is covered only after the first 8 or 14 days of life. This is further restricted, in some plans, to require that the infant be not only a certain number of days old but also free of confinement (not hospitalized) before the coverage will take effect.

The following is a partial list of companies and the coverage their plans provide for newborns:

AAA Auto Club of Washington	Birth full
Anchorage Cold Storage	Birth full
Anchorage Daily Times	Birth full
Alaska State Employees	Birth full
Alaska Bar Association	Birth full
Alaska Lumber and Pulp	Birth full

Alaska Medical Laboratories	Birth limited
Alaska Methodist University	Birth full
Alaska National Bank	Birth limited
Alaska Pacific Assurance	Birth limited
Alaska Painters	15 days
Alaskan Seafoods	Birth limited
Alaska State Housing Auth.	Birth full
Alexander and Alexander	15 days
Anchorage Borough School	Birth full
Army and Air Force Exchange	15 days
A. J. Johnson	Birth limited
Arthur Young and Co.	Birth limited
Automotive Parts and Equipment	Birth limited
B & C Auto Supply	Birth full
Bekins Moving and Storage	Birth limited
Carpenters	14 days (coverage from birth under major medical)
Carr's	Birth full
City of Anchorage	Birth full
Community Hospital	Birth full
Crawford & Co.	Birth limited
Culinary Employees	Birth limited
Fairbanks Municipal Utilities	Birth full
Fairbanks Plumbing and Pipefitting	Birth full
Fairbanks Publishing Co.	Birth full
Federal Employees	Birth full
First National Bank	Birth full
Anchorage Borough	Birth full
Hickel Investment	Birth full
Hotel and Restaurant Employees	Birth full
I. B. N.	Birth full
Ironworkers	Birth full
Kenai Peninsula Borough and Schools	Birth full
Laborers	14 days (from birth under major medical)
Matanuska Maid	Birth full
Meadowmoor Alaska Dairy	Birth limited
Merder, Schaible, Staley, & Delisio	Birth limited
N. B. of A.	Birth full
North Star Borough Schools	Birth full
O'Neill & Sons	Birth full
Operating Engineers	8 days
Petersburg Fisheries	Birth full
Plumbers	Birth full
Providenece Hospital	Birth full
Retail Food Clerks	Birth full
Sheet Metal Workers	Birth full
Teamsters	14 days and free of confinement
University of Alaska	Birth full

These different coverage options reflect efforts to reduce claim costs and premiums. Basically, an insurance company will sell whatever coverage a policyholder is willing to pay for but there is a trend toward making coverage from birth--full the standard benefit. Of course, "full" coverage does not necessarily mean 100% coverage since there may be deductibles, co-insurance and policy limits.

Following are some examples of NBSCM bills incurred at Providence over the past six months which reflect the variations in insurance benefits and coverage:

<u>Days Hospitalized</u>	<u>Amount</u>	<u>Insurance</u>	<u>Amt. Pd. by Ins.</u>
32	\$5,470.30	Teamsters	--0--
19	3,926.65	Teamsters	--0--
88	19,130.95	Champus	\$19,130.95
7	1,171.75	Blue Cross	937.40
10	1,563.63	Medicaid	1,563.63
2	166.00	Aetna thru Fed. Gov't.	22.50
4	644.00	Equitable thru Standard Oil	644.00
3	318.25	Fireman's Fund (Liability)	318.25
4	1,100.00	Champus	1,100.00
17	1,790.25	Equitable thru N. C.	1,708.00
46	8,934.90	Medicaid	8,934.00
15	2,859.10	Aetna	2,680.53
3	245.13	Medicaid	245.13
3	255.50	Medicaid	255.50
23	3,072.25	Teamsters	Written off to Charity
22	2,187.88	Aetna thru Fed. Gov't	1,750.30
2	195.75	Medicaid	192.75
55	10,527.00	Champus	10,447.00
3	531.25	Sears	425.00
11	2,478.50	A. R. S.	2,478.00
5	440.00	Medicaid	440.00
2	204.75	B. C. thru Cordova Hosp.	123.80
20	5,492.50	B. C. thru State	4,747.68
17	2,900.00	Westcoast Life thru Reeve Alcutian	--0--
1	39.50	B. C. thru Providence	39.50
4	700.75	<u>Double coverage:</u> Teamsters	--0--
		Hotel & Restaurant	--0--
12	2,604.25	B. C. of Louisiana	1,292.75
23	4,137.05	Blue Cross	3,911.30
6	1,113.50	B. C. thru State	850.40
4	657.75	Medicaid	657.75
	<u>TOTAL</u>		<u>\$64,895.12</u>

Difference to be paid by patient or absorbed by hospital:



Alaska State Legislature  
House

JUNEAU ALASKA

HESS COMMITTEE MEETING

3-10-75

Members Present:

Beirne                      Parr  
Davis                        Sullivan  
Hackney                    Swanson  
Osterback

Chairman Sullivan called the meeting to order at 3:15.

The first thing I would like to discuss is pertaining to the confirmation of Dr. Williamson. I would like to know your feelings of maybe getting together with him informally, perhaps in the evening on Wednesday, March 12, on a social basis at my house. Would that date be alright with all of you?

Beirne I would request we act on the Commissioner today?

Chairman Sullivan Personally, I have a few more questions to ask him before making my decision. I know that Mr. Hackney and Mr. Swanson feel the same way. I would not want to call another hearing for these few questions. Our hearings on his confirmation this weekend in Anchorage showed tremendous support for his confirmation.

Are there any other announcements?

HB 120

Beirne Gave a briefing of the bill. Its purpose is to include Optometrists under the Medicare Program Act. The Fiscal note indicates the cost of \$38,500 for 1975 year. Presently there are not enough ophthalmologists to care for all of the needs throughout the state and at the present time they are the only Doctors under the Medicare Act.

Hackney Where did they get the figure of 1150 people that would use this service in the position paper in front of us?

Beirne I am not sure of this. This bill will not change the Medicare Act in any way. I would request we ask Mr. Larry Sullivan from the Dept. of H&SS to testify on this question and perhaps we could take up HB 128 until he gets here.

HB 128 Ms. Sullivan gave briefing of her bill. Intended to make insurance available for newborns from the moment of birth. I am interested in it because of my own experience. Before my son was a week old we had thousands of dollars of medical bills and could not get coverage. This seems to me a very logical form of insurance. The bill does not say the state should pay for it only that it should be available to all residents of the state. The increase in the premium cost would only be 5 or 10 cents more.

Hackney I am in favor of this bill.

Don Cooke Div. of Insurance

This bill would require that any insurance policy would include care for the newborn infant. This bill was endorsed by the National Insurance Directors Assoc. and on June 1974 it was law in 17 states and pending in 10 more. We didn't prepare a fiscal note because there wasn't any. The impact on the general fund would be nothing also.

Hackney Insurance is presently provided on the basis of what?

Cooke From day one on Blue Cross for state employees.

Beirne I would presume this would be an option?

Cooke No, I read it as mandatory coverage. Meaning mandate that they have to offer it, Line 15-16.

Beirne I favor this bill and for no cost to the state it seems most worthwhile.

Hackney This bill would also give the tax payers a little break.

Parr I move we pass HB 128 out of committee with a 'do pass' recommendation.

Chairman Hearing no objection, so ordered.

Cooke I would also like to add that SB 141 is exactly the same bill.

HB 120

Mr. Larry Sullivan Dept. of H&SS

Beirne We have the position paper and the fiscal note. Would like to ask you how you arrived at the figure of 1150 people who would take advantage of these services?

Sullivan This is the approximate number of people that would require these services. It would involve a \$38,000 increase in our budget. We do not provide glasses. The only service they will receive is the refraction. Glasses are available on a very limited basis. Available to children under the Medicare Act for early treatment. Eye, Ear, and Teeth Care for Children up to the age of 21 is mandate under the Federal Program.

Parr How much of this bill is new? Just the Ophthalmologist?

Sullivan Yes, the original bill says 'physician services'.

Parr To what extent are private agencies making glasses available?

Sullivan There is a fair chance of people getting glasses. We refer them to their local Lions Club etc. That is limited however.

Beirne The BIA and USPHS also will buy glasses. Explained difference between ophthalmologist and optometrist.

Hackney How was it that you arrived at the 1150 figure?

ENGSTROM AND EVANS

ATTORNEYS AT LAW

202 NATIONAL BANK OF ALASKA BUILDING

TELEPHONE (907) 586-1445

JUNEAU, ALASKA 99801

ALLAN A. ENGSTROM  
GORDON E. EVANS

February 19, 1975

Ms. Susan Moss  
Health Education & Social Services  
Pouch V  
Juneau, Alaska 99811

Re: House Bill 128

Dear Ms. Moss:

In our recent telephone conversation, you indicated that the House Health, Education and Social Services Committee was interested in the approximate cost impact of House Bill 128, as it relates to coverage for new-born infants.

Although it is difficult to be precise, Blue Cross Washington Alaska, Inc., which already provides such coverage in all of its policies, estimates the effect on premium to be approximately one per cent. This is based on a competitive benefit level, in using birth as an effective date as opposed to starting coverage at age 30 days.

Let me try to be more precise by means of an example:

1. Assume that coverage A covers children at birth and coverage B covers children after 30 days.
2. Assume that all other aspects of coverage A and coverage B are identical with respect to benefits.
3. If the monthly family rate for coverage B was \$60.00, then the family rate for coverage A would be approximately 1% higher, or \$60.60.

Please let me know if you have any other questions.

Very truly yours,



ALLAN A. ENGSTROM  
Legislative Counsel for  
Blue Cross Washington Alaska, Inc.

AAE:rha

# MEMORANDUM

TO:  Frederick McGinnis  
Commissioner

THRU: Donald K. Freedman, M.D., M.P.H.  
Director, Division of Public Health

DATE : September 27, 1974

FROM: David A. Spence, M.D., Chief  
Section of Family Health

SUBJECT: Proposed legislation for the  
1975 Legislature.

In the last legislative session, Senate Bill 359 was introduced on February 11, 1974, by Senator Lowell Thomas. This Bill would have required that newly-born children be included in group health and disability insurance. This Bill was tied to insurance for alcoholism and was still in committee at the close of the legislative session.

The need for this legislation is greater this year because advances in neonatal care, while preserving intellect and life itself for the premature, are more expensive. We request that this Bill be submitted in essentially the same form again in this next legislative session. Your submission of this legislation will indicate its importance to the legislators and the public as well.

DAS/lb

cc: Dr. carolyn Brown, Legislative Committee, ASMA

## MODEL NEWBORN CHILDREN BILL

Prepared by the American Academy of Pediatrics  
with the assistance of  
The Health Insurance Association of America  
November 21, 1973

1. All individual and group health insurance policies providing coverage on an
2. expense incurred basis and individual and group service or indemnity type
3. contracts issued by a nonprofit corporation which provide coverage for a
4. family member of the insured or subscriber shall, as to such family
5. members' coverage, also provide that the health insurance benefits ap-
6. plicable for children shall be payable with respect to a newly born child of the
7. insured or subscriber from the moment of birth.
  
8. The coverage for newly born children shall consist of coverage of injury or
9. sickness including the necessary care and treatment of medically diagnosed
10. congenital defects and birth abnormalities.
  
11. If payment of a specific premium or subscription fee is required to provide
12. coverage for a child, the policy or contract may require that notification of
13. birth of a newly born child and payment of the required premium or fees
14. must be furnished to the insurer or nonprofit service or indemnity corporation
15. within 31 days after the date of birth in order to have the coverage continue
16. beyond such 31 day period.
  
17. The requirements of this act shall apply to all insurance policies and
18. subscriber contracts delivered or issued for delivery in this state more
19. than 120 days after the effective date of the act.

Newborn  
bill

4B128

PROBLEM:

Health insurance coverage in Alaska frequently does not provide for health care for newborn infants. Such insurance policies written in Alaska presently specifically exclude coverage for infants in the first thirty, sixty, or ninety days of life.

The newborn infant is vulnerable to many health problems. Prematurity and congenital defects often require medical care of an urgent and sophisticated nature.

The cost of this care is presently borne by a combination of families, health care providers (such as physicians and hospitals), governmental agencies (federal, state, and local), and insurance carriers.

By exclusion of newborn health care from their coverage, some insurance carriers are excluding this vulnerable newborn population from their coverage.

PROPOSAL:

The legislative committee of the Alaska State Medical Association and the Alaska Chapter of the American Academy of Pediatrics recommend that health care coverage for newborn infants be included in all health insurance policies written in Alaska.

MEMORANDUM

December 5, 1973

TO: GARY WANGSMO, Controller  
FROM: Bob Harvey, Business Office Manager  
SUBJECT: Coverage for infants

---

Insurance companies generally offer an employer several ways of providing coverage for newborn babies under group health insurance plans.

They are:

- 1) Coverage from birth, limited: In this case, the infant is covered from birth but only for treatment of a disease, injury, congenital deformity or hereditary complications. Prematurity, per se, is not covered.
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1	39.50	B. C. thru Providence	39.50
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23	4,137.05	Blue Cross	3,911.30
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4	657.75	Medicaid	657.75
	<u>TOTAL</u>		<u>\$64,896.12</u>

Difference to be paid by patient or absorbed by hospital:

\$19,962.97

## NEWBORN CHILDREN BILL

From a model prepared by the American Academy of Pediatrics  
with the assistance of  
The Health Insurance Association of America  
November 21, 1973

1. All individual and group health insurance policies providing coverage on an
2. expense incurred basis and individual and group service or indemnity type
3. contracts issued by a nonprofit corporation which provide coverage for a
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5. members' coverage, also provide that the health insurance benefits ap-
6. plicable for children shall be payable with respect to a newly born child of the
7. insured or subscriber from the moment of birth.
8. The coverage for newly born children shall include, but not be limited to,
9. coverage for congenital defects, birth abnormalities, or other complications
10. of birth, including prematurity or low birth weight.
11. If payment of a specific premium or subscription fee is required to provide
12. coverage for a child, the policy or contract may require that notification of
13. birth of a newly born child and payment of the required premium or fees
14. must be furnished to the insurer or nonprofit service or indemnity corporation
15. within 31 days after the date of birth in order to have the coverage continue
16. beyond such 31 day period.
17. The requirements of this act shall apply to all insurance policies and
18. subscriber contracts delivered or issued for delivery in this state more
19. than 120 days after the effective date of the act.

# HEALTH INSURANCE ASSOCIATION OF AMERICA

CHICAGO • NEW YORK • WASHINGTON

LESLIE P. HENRY, *President*

RESEARCH, STATISTICS, AND CONTROL DEPARTMENT

David Robbins, *Vice President and Controller*

New York Office

750 Third Avenue

New York, New York 10017

October 8, 1974

Mr. Vincent B. Jasso  
Deputy Superintendent  
State of New Mexico  
Department of Insurance  
Sante Fe, New Mexico 87501

Dear Mr. Jasso:

As I wrote you last week, we are in the process of developing estimated costs for the benefit provisions contained in the proposed New Mexico newborn infant coverage legislation. This data should be finalized in another few weeks.

In the interim, we learned from Mr. Young of the American Life Insurance Association that your Insurance Study Committee is scheduled to meet on October 10 and that you would be interested in the receipt of some preliminary results of our investigations. Our preliminary review of this matter indicates the following:

1. For those major medical contracts which now cover children from birth for sickness or injury and exclude only the first 7 days of hospital room and board charges while covering all other types of eligible expenses from birth, we estimate the additional cost of covering the first 7 days of nursery charges for sick infants to be about \$.80 yearly per employee for group coverage and about \$1.20 for individual coverage.
2. For a policy which provides no coverage at all for the first 14 days, we estimate the additional cost of the required coverage as approximately \$3.20 yearly per employee for group coverage and \$4.80 for individual coverage.

Mr. Vincent B. Jasso

October 8, 1974

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3. The exclusion of illegitimate children would make relatively little difference on the foregoing cost estimates.

Sincerely,

A handwritten signature in cursive script that reads "David Robbins". The signature is written in dark ink and is positioned above the typed name and title.

David Robbins  
Vice President and Controller

DR:pw

cc: Mr. Franklin H. Young - ALIA  
Mr. Carroll Callaway



# American Academy of Pediatrics

2/3/74

POSITION STATEMENT ON NEWBORN INFANT MEDICAL INSURANCE  
WASHINGTON STATE CHAPTER, AMERICAN ACADEMY OF PEDIATRICS (AAP)  
(WASHINGTON STATE SOCIETY OF PEDIATRICS).

Consensus Summary developed by:

Washington State Chapter, AAP, Fetus and Newborn Committee:

Donald Sutherland, M.D., Bellevue, Chairman  
William A. Hodson, M.D., Director Newborn Service, University of Washington  
Errol Aiden, M.D., Director Newborn Service, Madigan General Hospital, Tacoma  
David E. Woodrum, M.D., Dir. Newborn Service, Children's Orthopedic Hospital,  
Seattle.  
Robert Polley, M.D., Seattle.

David Sparling, M.D., Tacoma; State Chapter Chairman, 1974.

Michael Donlan, M.D., Spokane; State Chapter Alternate Chairman, 1974

Robert A. Tidwell, M.D., Seattle, Chairman Legislative Committee.

Robert Polley, M.D.; Seattle, Chairman 3rd Party (Medical Insurance) Committee.

Blackburn Joslin, M.D., Mercer Island, Past State Chairman.

Abraham Bergman, M.D., Director Outpatient Clinic, Children's Orthopedic Hospital,  
Seattle; President, National Foundation for Sudden Infant Death.

*THOMAS C. COCK CHAIRMAN DISTRICT VIII AAP.*

Topics:

- a. "Neonates" (newborn infants) do not become candidates for routine or well newborn infant care until age 48 hours at the earliest.
- b. Information:
  - (1) Disappearance of lung fluid and lung aeration (expansion), approximately 48 hours.
  - (2) Establish normal heart function with disappearance of murmurs and reverse blood flow through foramen ovale and ductus - 24 to 48 hours.
  - (3) Temperature (thermal) instability; inability to maintain adequate body temperature without external added heat source - 24 to 48 hours.
  - (4) Fluid balance, acid base balance, kidney function, urine production, etc., unstable until age 24-48 hours.

Adaptive processes of a more gradual but equally important nature involve the gastrointestinal tract - which for the first time must manifest patency from the mouth to the anus; the renal and genitourinary tract - must assume control of fluid and electrolyte balance, and solute excretion; metabolic and endocrine activities vital to nutritional homeostasis, growth and modifications of drugs or bodily breakdown products (e.g. bilirubin) necessary to facilitate excretion.

The newborn is at a further disadvantage in terms of his or her ability to adjust to a new environment. Heat losses may be extensive due to the inordinately high body surface to weight ratio that the small infant manifests, hence the ability to withstand environmental cold stress is severely compromised. Furthermore, inadequate or immature immunologic defense mechanisms impair the ability to ward off certain types of infection.

All of these transitions and/or adjustments occur or have as their major time of impact during the first 48 to 72 hours of life, and the vast majority of potentially anatomic, physiologic or biochemical deviations from normal may be recognized during this time period. With this in mind, it is the policy of this Committee as well as the recommendations of the Department of Pediatrics, Division of Neonatal Biology, University of Washington School of Medicine that optimum care for all newborn infants include a comprehensive physical examination, competent physician and nurse medical care and hospitalization during the first 48 hours of postnatal life.

R. P. Alley  
4/4/74.

FINAL DRAFT - 3/4/74

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Blackburn Joslin, M.D., Bellevue; Past State Chairman.

Al Skinner, M.D., Mercer Island; Past State Chairman.

Abraham Bergman, M.D., Director Outpatient Clinic, Children's Orthopedic  
Hospital, Seattle; President, National Foundation for Sudden Infant Death.

Thomas C. Cock, M.D., Chairman, District VIII, AAP.

During the first nine months of life the human dwells in a warm aquatic environment. He receives his total nutritional support from his mother and, with a few exceptions, his bodily functions (e.g. gas exchange, endocrinologic, excretory) are accomplished by the placenta. With birth, the above situation is drastically altered in a very short period of time. There is, in fact, no age during life when so many major adaptations necessary for intact survival occur in such a short-time span.

Immediate survival is accomplished by clearance of lung fluid, its replacement with air, and activation of surface active material lining the gas exchange surface of the lung. The result of these processes is an elevation of the oxygen tension in the arterial blood, an increase in pulmonary blood flow, and gradual closure of the fetal shunts (Foramen, Ovale and Ductus Arteriosus).

Alaska Medical Laboratories	Birth limited
Alaska Methodist University	Birth full
Alaska National Bank	Birth limited
Alaska Pacific Assurance	Birth limited
Alaska Painters	15 days
Alaskan Seafoods	Birth limited
Alaska State Housing Auth.	Birth full
Alexander and Alexander	15 days
Anchorage Borough School	Birth full
Army and Air Force Exchange	15 days
A. J. Johnson	Birth limited
Arthur Young and Co.	Birth limited
Automotive Parts and Equipment	Birth limited
B & C Auto Supply	Birth full
Bekins Moving and Storage	Birth limited
Carpenters	14 days (coverage from birth under major medical)
Carr's	Birth full
City of Anchorage	Birth full
Community Hospital	Birth full
Crawford & Co.	Birth limited
Culinary Employees	Birth limited
Fairbanks Municipal Utilities	Birth full
Fairbanks Plumbing and Pipefitting	Birth full
Fairbanks Publishing Co.	Birth full
Federal Employees	Birth full
First National Bank	Birth full
Anchorage Borough	Birth full
Hickel Investment	Birth full
Hotel and Restaurant Employees	Birth full
I. B. M.	Birth full
Ironworkers	Birth full
Kenai Penninsula Borough and Schools	Birth full
Laborers	14 days (from birth under major medical)
Matanuska Maid	Birth full
Meadowmoor Alaska Dairy	Birth limited
Merder, Schaible, Staley, & Delisio	Birth limited
N. B. of A.	Birth full
North Star Borough Schools	Birth full
O'Neill & Sons	Birth full
Operating Engineers	8 days
Petersburg Fisheries	Birth full
Plumbers	Birth full
Providence Hospital	Birth full
Retail Food Clerks	Birth full
Sheet Metal Workers	Birth full
Teamsters	14 days and free of confinement
University of Alaska	Birth full