

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1274**

Introduced by Cavanaugh, J., 9.

Read first time January 16, 2024

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to insurance; to require coverage of
- 2       prosthetics and orthotics as prescribed; and to define terms.
- 3 Be it enacted by the people of the State of Nebraska,

1           Section 1. (1) Notwithstanding section 44-3,131, (a) any individual  
2 or group sickness and accident insurance policy, certificate, or  
3 subscriber contract delivered, issued for delivery, or renewed in this  
4 state and any hospital, medical, or surgical expense-incurred policy,  
5 except for short-term major medical policies of six months or less  
6 duration and policies that provide coverage for a specified disease or  
7 other limited-benefit coverage, and (b) any self-funded employee benefit  
8 plan, to the extent not preempted by federal law, shall include coverage  
9 for prosthetics and orthotics that, at a minimum, equals the coverage  
10 provided under the federal medicare program pursuant to 42 U.S.C. 1395k,  
11 1395l, and 1395m and 42 C.F.R. 410.100, 414.202, 414.210, and 414.228, as  
12 such sections and regulations existed on January 1, 2024. Such coverage  
13 may be limited to the most appropriate prosthetic or orthotic that is  
14 deemed medically necessary by the covered individual's treating  
15 physician, including repair or replacement of prosthetics and orthotics  
16 if repair or replacement is determined appropriate by the treating  
17 physician. If coverage under this section is provided through an  
18 insurance policy or expense-incurred policy, such policy may require that  
19 prosthetics and orthotics be furnished by a prosthetist with which the  
20 insurer has a contract, but the covered individual shall have access to  
21 medically necessary clinical care, prosthetic and orthotic services, and  
22 prosthetic and orthotic components or technology from a nonparticipating  
23 prosthetist to the same extent that the policy provides for out-of-  
24 network services for other covered benefits.

25           (2) This section does not prevent application of deductible or  
26 copayment provisions contained in the policy, certificate, contract, or  
27 employee benefit plan or require that such coverage be extended to any  
28 other procedures. Any copayment shall not exceed the copayment imposed  
29 under Part B of the medicare fee-for-service program, and providers shall  
30 be reimbursed for prosthetics and orthotics at no less than the fee  
31 schedule amount for prosthetics and orthotics under the federal medicare

1 reimbursement schedule. The policy, certificate, contract, or employee  
2 benefit plan shall not impose any annual or lifetime dollar maximum on  
3 coverage for prosthetics and orthotics other than an annual or lifetime  
4 dollar maximum that applies in the aggregate to all other terms and  
5 services covered.

6 (3) For purposes of this section, (a) prosthetic means artificial  
7 legs and arms and associated components, including replacements if  
8 required, as a result of a change in the patient's physical condition and  
9 (b) orthotic means a custom-fitted or custom-fabricated medical device  
10 that is applied to a part of the human body to correct a deformity,  
11 improve function, or relieve symptoms of a disease.