

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB1243

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: McQuinn

3. Committee: Commerce and Energy

4. Title: Health insurance; coverage for breast cancer screenings; mammography facilities.

5. Summary: Expands health insurance coverage requirements that currently include only mammogram screenings to include diagnostic mammograms, breast ultrasounds, and magnetic resonance imaging. The bill requires that coverage for diagnostic mammograms be no less favorable than coverage for screening mammograms and provides that expanded coverage shall not be subject to any cost-sharing requirements. The bill also requires certain mammogram facilities certified pursuant to the federal Mammogram Quality Standards Act to provide extended hours for screening mammography services. Requirements for these extended hours and the potential to obtain a waiver under certain circumstances are included in the bill.

6. Budget Amendment Necessary: See item 8

7. Fiscal Impact Estimates: Preliminary – see item 8

8. Fiscal Implications: The Department of Human Resources Management stipulates the fiscal impact from this bill will be \$238,000 to the state Health Insurance Fund (HIF). A key assumption is this figure is that 15% of the initial breast cancer screenings will require free follow-up screening, such as a diagnostic screening, an ultrasound, or an MRI. Another key assumption is that the utilization of follow-up screenings will increase 10% because follow-up screenings will be free and exempt from cost-sharing requirements.

The HIF is funded through monthly premium contributions by state agencies, state employees, and eligible retirees. This legislation is expected to lead to an increase in expenditures from the HIF, which may result in higher health insurance premiums. Based on recent premium trends, the general fund pays an estimated 43 percent of premiums into the HIF. The general fund share of the costs described above is approximately \$102,340.

The Department of Medical Assistance Services (DMAS) expects this bill to generate some additional program costs, but no significant fiscal impact. State law currently provides for mammography screenings for women between ages 40 and 49. The “no less favorable” standard called for in the bill may increase utilization, but DMAS’ encounter and claims history for FY2015-FY2021 indicates women already have these screenings annually. Another potential fiscal impact may arise from a change in preference from X-Ray to MRI as

a screening method. Under current rule, MRIs are only allowed in the cases of an abnormal X-Ray or if the patient is high risk. This bill would change that provision and allow people to opt for MRI even if the prior criteria is not met. Additionally, MRIs are doubly expensive as X-Rays (\$87.88 to \$43.61). However, examination of past encounters suggest out of more than 120,000 first visit screenings between FY2015-FY2021, only 0.4 percent of all eligible members opt for an MRI as the first means of screening. Therefore, DMAS expects low utilization of the MRI. Furthermore, DMAS anticipates potential cost offset since the cost of an initial X-Ray would not be incurred.

The State Corporation Commission anticipates no fiscal impact from this bill.

9. Specific Agency or Political Subdivisions Affected: Department of Human Resource Management, State Corporation Commission, Department of Medical Assistance Services.

10. Technical Amendment Necessary: No

11. Other Comments: