

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1835-02
Bill No.: SCS for SB 448 and 588
Subject: Health Care; Medical Procedures and Personnel; Medicaid; Social Services
 Department; Family Services Division; Public Assistance
Type: Original
Date: March 30, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
All funds	\$0 to (\$480,800)	\$0 to (\$480,800)	\$0 to (\$480,800)
General Revenue	(\$338,188)	(\$367,194)	(\$397,991)
Insurance Dedicated	\$10,000	\$0	\$0
Conservation	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(\$328,188 TO UNKNOWN)	(\$367,194 TO UNKNOWN)	(\$397,991 TO UNKNOWN)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Federal	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

*Revenues and expenditures of approximately \$1.1 million annually net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation** and the **Department of Public Safety - Missouri State Highway Patrol** assume this proposal would not fiscally impact their agencies.

Department of Insurance (INS) officials state that health insurers and HMOs would be required to amend policy forms in order to comply with this proposal. INS states that they anticipate that current appropriations and staff would be able to absorb the work for implementation of this proposal. However, if additional proposals are approved during the legislative session, INS may need to request an increase in appropriations due to the combined effect of multiple proposals. INS states there are 171 health insurers and 29 HMOs that offer health insurance coverage. INS states that of the health insurers, many offer coverage through out-of-state trusts which are not typically subject to such mandates. INS estimates that 171 health insurers and 29 HMOs would each submit one policy form amendment resulting in revenues of \$10,000 to the Insurance Dedicated Fund. If multiple proposals pass during the legislative session which would require form amendments to be filed, the insurers would probably file one amendment for all required mandates. INS states this would result in increased revenue of \$10,000 for all proposals.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the proposal would include insurance coverage for prostascint imaging as a prostate cancer screening technique for nonsymptomatic men with above normal PMSA expressions. HCP states that according to the National Cancer Institute, about 16% of males 50 and older will be diagnosed in their lifetime. HCP currently insures 15,022 males age 50 and older under the state plan and 2,784 males age 50 and older under the Public Entities. HCP states prostascint is brand name machine that is currently only available in limited geographical metropolitan areas of Missouri. By mandating this coverage, insurance companies may face charges of \$200 or higher per test. (This amount is arrived at Medicare's regional allowable amount of \$146.90 plus the professional component of \$36. This total is multiplied by 10% to determine a conservative HMO allowable amount.) The total cost of the test for 16% of our targeted population could run \$480,800 for our state population and \$89,000 for the Public Entity population. Health carriers would recoup this cost through premiums. However, there is no way to estimate how many would be diagnosed in each year, the cost of this proposal is unknown.

Department of Social Services (DOS) - Division of Medical Services (DMS) officials state the U.S. Code referenced in the proposal would allow persons who have been diagnosed with breast or cervical cancer and screened for breast and cervical cancer under the Center for Disease Control and Prevention breast and cervical cancer early detection program (established under title

ASSUMPTION (continued)

XV of the Public Health Service Act in accordance with the requirements of section 1504 of the Act) to receive the needed treatment for breast or cervical cancer. The Center for Disease Control and Prevention breast and cervical cancer early detection program targets low income, underserved women up to 200% of the Federal Poverty level.

Breast Cancer Recipient:

The Center for Disease Control (CDC) predicted that 3,700 women in Missouri would be diagnosed with breast cancer in the year 2000. It is estimated that 21% of the 3,700 would fall into this category, and of these 777 women, 81.16% would have some form of healthcare coverage. DMS assumes that the remaining 146 women would be in the new eligible group. The estimated annual medical cost for this population is \$8,000.

Annual cost calculation:

	FY 2002	FY 2003	FY 2004
New Medicaid eligibles	146	152	158
Annual cost	x \$8,000	x \$8,320	x \$8,653
Total estimated cost	\$1,168,000	\$1,264,640	\$1,367,174

Cervical Cancer Recipient:

The Center for Disease Control predicted there would be 12,800 new cases of cervical cancer in the year 2000. Missouri's population represents 2.1% of the U.S. population, so the DMS assumes 269 Missourians would be detected with cervical cancer. It is estimated that 21% of the 269 women would fall into this category, and of these 56 women (81.16%) would have some form of healthcare coverage. DMS assumes that the remaining 11 women would be in the new eligible group. The estimated annual medical cost for this population is \$6,600.

Annual cost calculation:

	FY 2002	FY 2003	FY 2004
New Medicaid eligibles	11	12	13
Annual cost	x \$6,600	x \$6,864	x \$7,139
Total estimated cost	\$72,600	\$82,368	\$92,807

DMS states that currently the Medicaid program covers the screening technique for nonsymptomatic men with above normal PMSA expressions. DMS assumes there would be no fiscal impact to the Division of Medical Services.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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ALL FUNDS

Cost - All Funds

Increased state contributions	<u>\$0 to (\$480,800)</u>	<u>\$0 to (\$480,800)</u>	<u>\$0 to (\$480,800)</u>
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ESTIMATED NET EFFECT ON ALL FUNDS

<u>\$0 TO</u> <u>(\$480,800)</u>	<u>\$0 TO</u> <u>(\$480,800)</u>	<u>\$0 TO</u> <u>(\$480,800)</u>
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GENERAL REVENUE FUND

Costs - Department of Social Services -
 Division of Medical Services

Medical assistance payments	<u>(\$338,188)</u>	<u>(\$367,194)</u>	<u>(\$397,991)</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

<u>(\$338,188)</u>	<u>(\$367,194)</u>	<u>(\$397,991)</u>
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INSURANCE DEDICATED FUND

Income - Department of Insurance

Form filing fees	<u>\$10,000</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND

<u>\$10,000</u>	<u>\$0</u>	<u>\$0</u>
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CONSERVATION FUND

Cost - Department of Conservation

Increased contributions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON CONSERVATION FUND

<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
FEDERAL FUNDS			
<u>Income - Department of Social Services - Division of Medical Services</u>			
Medicaid reimbursements	\$902,412	\$979,814	\$1,061,990
<u>Costs - Department of Social Services - Division of Medical Services</u>			
Medical assistance payments	(<u>\$902,412</u>)	(<u>\$979,814</u>)	(<u>\$1,061,990</u>)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would extend Medicaid or insurance coverage for breast, cervical, and prostate cancer. This proposal would also provide for Medicaid coverage for certain breast and cervical cancer patients. A new subdivision 13 would be added to Section 208.151, RSMo, to provide that persons who have been diagnosed with breast or cervical cancer would be eligible for Medicaid coverage if other eligibility requirements would be met. To be eligible, the person would: 1) be under 65; 2) have been screened for breast or cervical cancer under the federal Centers for Disease Control and Prevention Breast and Cervical Cancer Early Detection Program; 3) need treatment for breast or cervical cancer; and 4) be uninsured. During the eligibility determination, the person would be eligible during a period of presumptive eligibility. If all eligibility requirements would be met, then the person would receive Medicaid coverage.

This proposal would also require additional insurance coverage for prostate cancer screenings. Currently, Section 376.1250, RSMo, requires coverage of prostate cancer screenings. New language would require coverage to include prostascint imaging (prostate antibody imaging).

DESCRIPTION (continued)

This test would be used for a nonsymptomatic man who has had an earlier diagnosis or reoccurrence or would be used as a guide for appropriate therapy for patients with a rising prostate specific antigen.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance
Missouri Consolidated Health Care Plan
Department of Social Services
Department of Conservation
Department of Transportation
Department of Public Safety
Missouri State Highway Patrol



Jeanne Jarrett, CPA
Director

March 30, 2001