

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6417

BILL NUMBER: SB 126

DATE PREPARED: Jan 29, 1999

BILL AMENDED: Jan 28, 1999

SUBJECT: Coverage for Breast and Prostate Cancer Screening.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires employer-based group insurance for public employees, group insurers, and health maintenance organizations (HMOs) to provide the following: (1) Annual prostate specific antigen (PSA) screening to a man who is at least 40 years of age or whose treating physician determines screening is medically necessary. (2) An annual mammography to a woman who is at least 40 years of age. (Current law mandates offering this coverage only if the woman is at least 50 years of age or a woman at risk.)

The bill also requires group insurance for public employees, group insurers, and HMOs to provide for additional mammography views necessary for a physician to make a proper evaluation and for ultrasound services if those services are determined to be medically necessary by the insured's or enrollee's treating physician.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill impacts the state as an employer in the provision of employee health care benefits. A survey of the various state health plans indicates that the breast cancer screening provisions would either have no impact on a plan's costs or, in the case of one plan, is estimated to save the plan about \$21,700 annually due to reduced costs from early detection. In the case of the prostate cancer screening provision, some plans reported no anticipated impacts, while three plans estimated total additional costs of about \$60,000 per year.

In the case of prostate cancer screening, although there is some evidence to suggest that screening activities for certain age groups may be cost effective, there does not yet appear to be a consensus on this question, especially for the age groups covered by the bill.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill may impact local governments and school corporations as employers in the provision of employee health care benefits. The mandated provisions for coverage of additional breast cancer screening and prostate cancer screening by health insurance and HMO plans can result in additional costs for those plans, depending upon current coverage levels. Future costs or savings to the health plans may be realized, as well, due to additional costs of treatment activities or the potential reduction in costs associated with early detection. Although there is some evidence to suggest that screening activities for some age groups may be cost effective, there does not yet appear to be a consensus on cost effectiveness, especially for the age groups covered by the bill.

Explanation of Local Revenues:

State Agencies Affected: All

Local Agencies Affected: Local Governments and School Corporations.

Information Sources: Keith Beesely, Dept. Of Personnel, 232-3062.

Abramson, Cotton, Eckels, and Baldock, "Voluntary Screening Program for Prostate Cancer: Detection Rate and Cost", Southern Medical Journal, Vol. 87, No. 8, pp. 785-788, August 1994.

Albertson, Peter, "Screening for Prostate Cancer is Neither Appropriate Nor Cost-Effective", The Urologic Clinics of North America, Vol. 23, No. 4, pp. 521-530, November 1996.

Benoit, Ronald, and Michael Naslund, "The Socioeconomic Implications of Prostate-Specific Antigen Screening", The Urologic Clinics of North America, Vol. 24, No. 2, pp. 451-458, May 1997.

Graham, Sam, "Screening for Prostate Cancer", Cancer, Vol. 74, No. 12, pp.3077-3079, December 15, 1994.

Littrup, Peter, "Future Benefits and Cost-Effectiveness of Prostate Carcinoma Screening", Cancer, V. 80, No. 9, pp. 1864-1870, November 1997.

U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, "Prostate Cancer: Can We Reduce Deaths and Preserve Quality of Life?", 1998.