

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6417
BILL NUMBER: SB 126

DATE PREPARED: Apr 30, 1999
BILL AMENDED: Apr 26, 1999

SUBJECT: Coverage for Breast and Prostate Cancer Screening.

FISCAL ANALYST: Alan Gossard
PHONE NUMBER: 233-3546

FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires group insurance for public employees, group insurers, and health maintenance organizations (HMOs) to provide the following: (1) Annual prostate specific antigen screening to a man who is at least 50 years of age and who is at high risk for prostate cancer according to the most recent published guidelines of the American Cancer Society. (2) An annual mammography to a woman at risk who is less than 40 years old. (3) An annual mammography to a woman who is at least 40 years of age.

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. The bill provides that insurers must offer to provide coverage for breast and prostate cancer screenings in cases of insurance policies that are not employer based.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) 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, while some of the state health plans anticipate no impact, some plans may experience additional costs.

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.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) 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.

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.