

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6778

BILL NUMBER: SB 414

NOTE PREPARED: Mar 21, 2013

BILL AMENDED: Mar 21, 2013

SUBJECT: Insurance Coverage for Breast Ultrasound Exams.

FIRST AUTHOR: Sen. Miller Patricia

FIRST SPONSOR: Rep. Crouch

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

- (1) Requires state employee health plans and certain policies of accident and sickness insurance and health maintenance organization contracts to provide coverage for certain services for women with high breast density.
- (2) Requires the Medical Licensing Board to adopt rules or protocol establishing an education program and standards for annual screening or diagnostic tests of women with high breast density.
- (3) Requires certain notice to women with high breast density.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary:* The coverage requirement in the bill is expected to have no immediate fiscal impact relating to the state employee health plan through CY 2015. However, state expenditures could increase in future years to finance the cost of any state-mandated services that are required to be included in health insurance plans offered through the Health Insurance Exchange (HIX) but not included in the federal definition of essential health benefits. Possible increases in state expenditures are indeterminable and subject to federal determination of what constitutes essential health benefits.

The bill is also expected to increase the workload of the Medical Licensing Board and the Professional Licensing Agency to adopt rules regarding annual high breast density examinations. Increases in workload are expected to be minimal.

Additional Information:

State Employee Health Plan: This bill requires the state employee health plan to provide coverage for appropriate medical screening, tests, or examinations for covered female employees over the age of 40 who have high breast density. The State Personnel Department reports that the state employee health plan currently provides coverage for annual breast exams, and this provision is therefore expected to result in no fiscal impact.

Essential Health Benefits: Under the federal Affordable Care Act (ACA), states will select health plans for benchmarking essential health benefits that will be offered in health plans available through the Health Insurance Exchange (HIX). State mandates, in future years, may not be included in the approved list of essential health benefits offered through the HIX (as approved by the federal Department of Health and Human Services). The state could be responsible for financing the cost of any state-mandated services that are required to be included in health insurance plans offered through the HIX but not included in the definition of essential health benefits. Possible increases in state expenditures to provide state-mandated services that are not considered essential health benefits are indeterminable and subject to federal determination of what constitutes essential health benefits.

Medical Licensing Board: The Medical Licensing Board would likely be able to adopt the necessary rules within the course of the regularly scheduled meetings of the Board. The Board is scheduled to meet 11 times during CY 2013. Professional Licensing Agency staff may require additional administrative time to develop and revise the potential rules on behalf of the Board.

Explanation of State Revenues: The requirements of the bill will also apply to health insurance policies offered in the state. As a result, insurance companies that offer health insurance policies will be required to provide coverage for appropriate medical screening, tests, or examinations for women over the age of 40 who have high density breasts. The inclusion of this benefit may increase insurance premiums in the state. To the extent this occurs, the state may receive additional revenue from taxes paid on insurance premiums. Revenue received from the Insurance Premium Tax is distributed to the General Fund. Actual increases in state revenue from insurance premiums are indeterminable.

For FY 2012, the insurance premium tax collected approximately \$203 M in revenue.

Explanation of Local Expenditures: Local government units and school corporations that purchase private group insurance could also be affected by the provisions of this bill. If this bill increases local costs to purchase private group insurance plans, it is not known how much of the increased costs will be borne by the local government unit and by the participating individuals.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: School corporations; Local units of government.

Information Sources: Christy Tittle, State Personnel Department.

Fiscal Analyst: Bill Brumbach, 232-9559; Chris Baker, 232-9581.