

Department of Legislative Services
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FISCAL AND POLICY NOTE
First Reader

Senate Bill 385
Finance

(Senator Mathias, *et al.*)

Health Insurance - Coverage for Diagnostic Examinations for Breast Cancer

This bill prohibits insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers) that provide coverage for both breast cancer screening and “diagnostic examinations for breast cancer” (as defined in the bill) from imposing deductible, copayment, or coinsurance requirements on coverage for diagnostic examinations for breast cancer that are less favorable to an enrollee than those that apply to coverage for breast cancer screenings. **The bill takes effect January 1, 2019, and applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.**

Fiscal Summary

State Effect: Minimal special fund revenue increase for the Maryland Insurance Administration (MIA) from the \$125 rate and form filing fee in FY 2019. Review of filings can be handled with existing MIA budgeted resources. No effect on the State Employee and Retiree Health and Welfare Benefits Program (State Plan).

Local Effect: Potential minimal increase in health insurance premiums to the extent cost sharing is currently required for diagnostic examinations for breast cancer.

Small Business Effect: Potential minimal; health insurance premiums in the small group market may increase to the extent cost sharing is currently required for diagnostic examinations for breast cancer.

Analysis

Bill Summary: “Diagnostic examination for breast cancer” means an examination to evaluate an abnormality in a breast that is seen on or suspected from a breast cancer screening mammogram or detected by other means of examination. “Diagnostic examination for breast cancer” includes an examination to evaluate an abnormality in a breast using a breast ultrasound or mammography.

Current Law: Under Maryland law, there are 49 mandated health insurance benefits that certain carriers must provide to their enrollees, including coverage for breast cancer screenings. A carrier must cover breast cancer screenings in accordance with the latest screening guidelines issued by the American Cancer Society. A deductible may not be imposed. A carrier is not required to cover breast cancer screenings used to identify breast cancer in asymptomatic women that are provided by a facility that is not accredited by the American College of Radiology or certified or licensed in Maryland.

The federal Patient Protection and Affordable Care Act (ACA) requires nongrandfathered health plans to cover 10 essential health benefits, including preventive and wellness services and chronic disease management. Coverage of mammograms for breast cancer screening, without a copayment or deductible, is mandated as a preventive service.

Chapters 4 and 5 of 2012 prohibit carriers that provide coverage for both orally administered cancer chemotherapy and cancer chemotherapy administered intravenously or by injection from imposing dollar limits, copayments, deductibles, or coinsurance requirements on coverage for orally administered cancer chemotherapy that are less favorable to an enrollee than those that apply to cancer chemotherapy administered intravenously or by injection.

State Expenditures: The State Plan is largely self-insured for its medical contracts and, as such, with the exception of the one fully insured integrated health model medical plan, is not subject to this mandate. However, the State Plan generally provides coverage for mandated health insurance benefits. The Department of Budget and Management advises that all medical plans under the State Plan already prohibit disparate cost sharing for diagnostic examinations for breast cancer.

Additional Comments: MIA advises that the bill may jeopardize the tax-favored status of plans sold as health savings account (HSA)-compatible high deductible health plans (HDHPs) as *diagnostic* breast cancer exams are not considered “preventive” under the ACA, nor would they be considered “preventive care” under Internal Revenue Service guidelines for HSAs and HDHPs. As such, benefits for diagnostic examinations for breast cancer would be required to be subject to the deductible of an HDHP in order for the plan to be compatible with an HSA.

Additional Information

Prior Introductions: None.

Cross File: HB 282 (Delegate A. Miller, *et al.*) - Health and Government Operations.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Maryland Health Benefit Exchange; Maryland Insurance Administration; Department of Legislative Services

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