MARYLAND
Health Care
Commission

Randolph S. Sergent, Esq, Chairman
Ben Steffen, Executive Director

February 16, 2023

The Honorable Joseline A. Pena-Melnyk
Chair, House Health and Government Operations Committee
Room 241
House Office Building
Annapolis, Maryland 21401

Re: HB 376 – Health Insurance - Diagnostic and Supplemental Examinations for Breast Cancer - Cost-Sharing – Letter of Information

Dear Chair Pena-Melnyk and Committee Members,

The Maryland Health Care Commission (the "MHCC") is submitting this letter of information on *HB* 376 – *Health Insurance - Diagnostic and Supplemental Examinations for Breast Cancer - Cost-Sharing***.**

This bill prohibits insurers, nonprofit health service plans, and health maintenance organizations that provide coverage for diagnostic and supplemental breast examinations from imposing a copayment, coinsurance, or deductible requirement for the examination; and generally relating to health insurance and diagnostic and supplemental examinations for breast cancer.

Last year the MHCC was asked to conduct an analysis to estimate the cost impact of eliminating cost-sharing requirements for diagnostic imaging examinations for screening or diagnostic evaluation of the breast. The MHCC is charged with conducting a systematic assessment of potential changes in health benefits through added mandates under Insurance Article §15-1501, Annotated Code of Maryland.

First, it is important to note that mammography screening is considered an essential health benefit under the Affordable Care Act and a preventive health care service in the commercial fully insured market; therefore, screening is not subject to cost sharing. This analysis is an estimate on the elimination of cost sharing for diagnostic testing only, which often would follow a screening mammography when changes in breast tissue are identified or where the screening results are inconclusive. **We found that the elimination of cost-sharing will add about $0.07 per member per month (PMPM) or about $0.83 per year to privately insured health care premiums.**

The results of our analysis indicate that the cost impact, if the member out of pocket (OOP) cost requirements for diagnostic imaging examinations or diagnostic evaluations of the breast were eliminated, is about $0.07 per member per month (PMPM). We expect this cost to remain relatively flat with modest changes in utilization for women ages 30 and older, since there were slight variations in the member OOP costs over the last four years (2017-2020).

However, after a modest decrease (-6.3%) in 2018, the cost per service shows a steady increase through 2020, ending up at about 14.5%. The PMPM allowed charges across the entire fully insured population have been relatively stable (averaging about $0.19) over the last four years, despite slight volatility in utilization (decrease in 2018, increase in 2019, and then a decrease in 2020).

Study Year	No. of Services per 1,000 Female Members (age ≥ 30)	Utilization Trend	Cost per Service (age ≥ 30)	Unit Cost Trend	PMPM			
					Allowed Charges	Member Cost Share	Premium	Member Cost Share as a % of Premuim
2020	20	-2.9%	$196	14.5%	$0.21	$0.07	$569	0.01%
2019	20	1.0%	$171	4.4%	$0.18	$0.07	$526	0.01%
2018	20	-7.4%	$164	-6.3%	$0.17	$0.06	$485	0.01%
2017	21		$175		$0.20	$0.06	n/a	n/a

Using the average 2018 PMPM premiums by market ($547 for individual, $448 for small group, and $485 for fully insured large group) from MHCC's *"Study of Mandated Health Insurance Services as Required Under Insurance Article §15-1502"* premiums were projected out one year to 2019 and two years to 2020 using annual PMPM allowed observed medical trends by market. Results show in the above table that the cost for eliminating the member cost-sharing is about 0.01% of premium across all markets (individual, small group, and fully insured large group).

Although costs for the illness burden for the privately fully insured population, level of benefit coverage, and medical management will vary by insurance market due to differences in health insurance carrier medical management and care coordination, information from health insurance carriers is not available to quantify such differences. Therefore, the same estimated PMPM premium impact for each market was used across all health insurance carriers although the percent of premium would vary slightly across the individual, small group, and large group markets.

If you have any questions about these findings, please do not hesitate to contact me at 410-764-3566 or ben.steffen@maryland.gov.

Sincerely,

Ben Steffen,
Executive Director