

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 174 (Senator Teitelbaum. *et al.*)

Finance

Health Insurance - Colorectal Cancer Screening - Coverage

This bill requires an insurer, nonprofit health service plan, or HMO (carrier) to provide coverage for colorectal cancer screening in accordance with the latest screening guidelines issued by the American Cancer Society. A carrier may impose a copayment, coinsurance, or deductible requirement if these cost-sharing requirements are imposed for similar coverages under the same policy or contract.

This bill applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after October 1, 2000.

Fiscal Summary

State Effect: Minimal general fund revenue increase from the State's 2% insurance premium tax on for-profit carriers. Minimal special fund revenue increase for the Maryland Insurance Administration from the \$125 rate and form filing fee. No effect on expenditures.

Local Effect: Expenditures for local jurisdiction employee health benefits could increase if carriers raise their premiums as a result of the bill's requirements. Revenues would not be affected.

Small Business Effect: Potential minimal.

Analysis

Current Law: Colorectal screening is not a mandated benefit.

Background: Colorectal cancer is the second leading cause of cancer-related death in the United States. Among cancers that affect both men and women, only lung cancer takes more lives than colorectal cancer. The five-year survival rate is 90% for people whose colorectal cancer is found and treated in an early stage, before it has spread. Only 37% of colorectal cancers are found at that early stage.

There are several different types of colorectal screening tests, including: (1) fecal occult blood test; (2) flexible sigmoidoscopy; (3) colonoscopy; and (4) double contrast barium enema.

The American Cancer Society's current screening recommendations are that, beginning at age 50, both men and women should follow one of the three screening options: (1) yearly fecal occult blood test plus flexible sigmoidoscopy every five years; (2) colonoscopy every ten years; or (3) double contrast barium enema every five - ten years.

State Fiscal Effect: The State Employee Health Benefits Plan covers colorectal tests if indicated by an enrollee's family medical history or if the enrollee has symptoms of colorectal cancer. The plan also covers these tests if performed during a covered physical examination. Enrollees in the State plan are entitled to one physical every three years. Since the American Cancer Society recommends colorectal screening tests every five or ten years, depending on the type of exam, it is assumed that these tests will be covered during an enrollee's triennial physical.

Small Business Effect: Small businesses (2-50 employees) purchase the Comprehensive Standard Health Benefit Plan (CSHBP), which is exempt from including mandated benefits in its coverage. All carriers participating in the small business market must sell the CSHBP to any small business that applies for it, but a small business may purchase riders to expand the covered services. In addition, the Maryland Health Care Commission takes mandated benefits into consideration when reevaluating the CSHBP benefit package. Small business health insurance costs may increase if carriers increase their premiums as a result of this bill. Any increase is expected to be negligible.

Additional Comments: CareFirst Blue Cross Blue Shield of Maryland states the average cost of a colorectal screening test is \$400. CareFirst covers colorectal screening under its indemnity products only. The bill's requirements could increase CareFirst's premiums by 0.05% for benefit plans that do not already include this benefit.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Centers for Disease Control and Prevention, American Cancer Society, CareFirst Blue Cross Blue Shield of Maryland, Department of Health and Mental Hygiene (Medicaid, Community Public Health Administration, Health Care Commission), Department of Budget and Management (Employee Benefits Division), Department of Legislative Services

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