

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

Senate Bill 787 (Senator Madaleno)
 Finance

Maryland Health Insurance Plan - Coverage of Mammograms

This bill requires the Maryland Health Insurance Plan (MHIP) to provide specified mandated coverage of mammograms currently required of certain health insurance carriers.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: Special fund expenditures increase for MHIP by an estimated \$12,400 in FY 2010 to expand coverage of mammograms. Future years reflect growth in program enrollment and medical cost inflation. No effect on revenues.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	12,400	15,100	18,400	22,500	27,300
Net Effect	(\$12,400)	(\$15,100)	(\$18,400)	(\$22,500)	(\$27,300)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: There are 43 mandated health insurance benefits that certain carriers must provide to their enrollees. Coverage is required for (1) a baseline mammogram for women who are 35 to 39 years old; (2) a mammogram every two years, or more

frequently if recommended by a physician, for women who are 40 to 49 years old; and (3) an annual mammogram for women who are age 50 and older. Carriers are not required to cover screening mammograms used to identify breast cancer in asymptomatic women that are provided by a facility that is not accredited, certified, or licensed. No deductible can be imposed for coverage of mammograms. MHIP is exempt from this and other mandated health insurance benefits.

MHIP is not subject to State insurance laws other than those related to Maryland Insurance Administration examinations, provider panels and provider reimbursement, continuation coverage provisions, specialist referrals, prescription drug coverage, utilization review, the complaint process for adverse decisions or grievances, private review agents, the complaint process for coverage decisions, and unfair trade practices.

The Insurance Commissioner may not impose a fine or administrative penalty on MHIP. Instead, if the Insurance Commissioner finds that MHIP has violated specified provisions, the Insurance Commissioner may require MHIP to make restitution to each claimant who has suffered actual economic damages.

Background: Although not required to provide coverage of mammograms, MHIP provides coverage for one mammogram every other plan year for women age 40 to 49 years and one per plan year for women age 50 and older.

Breast cancer is the most common cancer among women in the United States, other than skin cancer, and is the second leading cause of cancer death in women. The chance of a woman having invasive breast cancer some time during her life is approximately one in eight. In 2003, the most recent year for which data is available, a total of 4,058 cases of breast cancer were diagnosed among Maryland women and 820 Maryland women died of breast cancer. Nationally, mortality from breast cancer is declining in recent years, most likely due to enhanced early detection and improved treatment.

Every four years, the Maryland Health Care Commission (MHCC) examines the fiscal impact of mandated health insurance benefits. In January 2008, MHCC found that these benefits account for 15.4% of total premium costs for group health insurance and 18.6% of total premium costs for individual policies. The full cost of current mandated coverage for mammograms is reported at 0.3% of premium costs for group policies and 0.4% of premium costs for individual policies. Almost all self-funded health benefit plans voluntarily provide coverage for mammograms.

MHIP is an independent unit of State government. The purpose of MHIP is to decrease uncompensated care costs by providing access to affordable, comprehensive health benefits for medically uninsurable residents. Medical eligibility for the program requires that applicants have been denied individual coverage, have been offered coverage that

excludes or limits coverage for a medical condition, or have specific health conditions. MHIP is funded with a 1% assessment on hospital rates and enrollee premiums. The Governor's proposed fiscal 2010 budget includes \$111.2 million for MHIP, a 21% increase over the fiscal 2009 appropriation of \$91.6 million. As of November 2008, the MHIP Fund had a cash balance of \$100.3 million. Enrollment in MHIP is limited by the revenues available to the program.

State Expenditures: Special fund expenditures increase for MHIP by an estimated \$12,426 in fiscal 2010, which reflects the bill's July 1, 2009 effective date and the cost to expand current coverage of mammograms to include a baseline mammogram for women ages 35 to 39. The information and assumptions used in calculating the estimate are stated below:

- there will be approximately 575 women ages 35 to 39 enrolled in MHIP in fiscal 2010;
- approximately 20% of these women (115) will receive a baseline mammogram in fiscal 2010;
- the average cost of the mammogram will be \$107.98;
- 100% of the cost of the baseline mammogram will be paid by MHIP; and
- the prohibition on deductibles for mammogram services will have no net impact on MHIP as members will pay for other health care services otherwise paid for by MHIP in order to satisfy their deductible.

Future years reflect 16% annual growth in MHIP enrollment and 5% medical inflation, and assume that 20% of all women enrolled in MHIP ages 35 to 39 will receive a baseline mammogram in any given plan year. Future years do not reflect any potential impact resulting from MHIP reaching its projected maximum enrollment.

Additional Comments: The bill subjects MHIP to the current health insurance mandate regarding coverage of mammogram services. To the extent that underlying mandate changes, MHIP expenditures will be impacted.

HB 405 of 2009 would alter the current mandate regarding coverage of mammograms by requiring coverage for breast cancer screening in accordance with the latest screening guidelines issued by the American Cancer Society.

Additional Information

Prior Introductions: None.

Cross File: HB 1097 (Delegate Waldstreicher, *et al.*) - Health and Government Operations.

Information Source(s): Maryland Health Insurance Plan, Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2009
ncs/mwc

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