

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 965
 Finance

(Senator Benson, *et al.*)

Health and Government Operations

Cancer Screening - Health Insurance and Assessment of Outreach, Education,
 and Health Disparities

This bill requires insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers) to provide coverage for recommended follow-up diagnostic imaging to assist in the diagnosis of lung cancer, subject to specified cost-sharing limitations. The Maryland Department of Health (MDH) must conduct an assessment on current outreach, education, and health disparities in cancer screening and establish a stakeholder workgroup. **The requirements on MDH take effect July 1, 2023; the insurance provisions take effect January 1, 2024, and apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.**

Fiscal Summary

State Effect: MDH general fund expenditures increase by \$28,900 in FY 2024 only for contractual staff to conduct the assessment and establish the stakeholder workgroup. Minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) in FY 2024 only from the \$125 rate and form filing fee; review of filings can be handled with existing MIA budgeted resources. Any impact on the State Employee and Retiree Health and Welfare Benefits Program is indeterminate.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
SF Revenue	-	\$0	\$0	\$0	\$0
GF Expenditure	\$28,900	\$0	\$0	\$0	\$0
Net Effect	(\$28,900)	\$0	\$0	\$0	\$0

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

Local Effect: Potential increase in expenditures for local governments that purchase fully insured medical plans to the extent the bill increases the cost of health insurance. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Health Insurance Coverage of Lung Cancer Screening

A carrier must provide coverage for recommended follow-up diagnostic imaging to assist in the diagnosis of lung cancer for individuals for which lung cancer screening is recommended by the U.S. Preventative Services Task Force (USPSTF). The coverage must include diagnostic ultrasound, magnetic resonance imaging, computed tomography, and image-guided biopsy.

A carrier may not impose a copayment, coinsurance, or deductible requirement on coverage for lung cancer screening and diagnosis that is greater than the copay, coinsurance, or deductible requirement for breast cancer screening and diagnosis. However, if an insured or enrollee is covered under a high-deductible health plan (HDHP), a carrier may subject follow-up diagnostic lung imaging to the deductible requirement of the HDHP.

Maryland Department of Health Assessment and Stakeholder Workgroup

MDH must conduct an assessment on current outreach, education, and health disparities in cancer screening, including the availability of biomarker testing, in the State. The assessment must include an examination of current programs overseen by MDH and local health departments. In conducting the assessment, MDH must establish a stakeholder workgroup (with specified membership) to advise on the current state of cancer screening in the State and make recommendations on the development of an outreach plan to educate communities negatively impacted by health disparities in cancer screening and cancer care. MDH must report to the General Assembly on the assessment by January 1, 2024.

Current Law:

Mandated Health Insurance Benefits

Under Maryland law, there are more than 50 mandated health insurance benefits that specified carriers must provide to their enrollees. Carriers must cover breast cancer screenings in accordance with the latest screening guidelines issued by the American Cancer Society. Currently, the guidelines specify that (1) women ages 40 to 44 may elect

to get annual breast cancer screenings with mammograms and (2) starting at age 45, women should have mammograms every year. Carriers are also required to provide coverage for digital tomosynthesis – a radiologic procedure that involves the acquisition of projection images over the stationary breast to produce cross-sectional digital three-dimensional images of the breast – if an enrollee’s treating physician determines it is medically appropriate and necessary. A deductible may not be imposed for covered digital tomosynthesis or mammograms. 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 (EHBs), which include items and services in the following categories: (1) ambulatory patient services; (2) emergency services; (3) hospitalization; (4) maternity and newborn care; (5) mental health and substance use disorder services, including behavioral health treatment; (6) prescription drugs; (7) rehabilitative and habilitative services and devices; (8) laboratory services; (9) preventive and wellness services and chronic disease management; and (10) pediatric services, including dental and vision care.

Under § 31-116 of the Maryland Insurance Article, EHBs must be included in the State benchmark plan and, notwithstanding any other benefits mandated by State law, must be the benefits required in (1) all individual health benefit plans and health benefit plans offered to small employers (except for grandfathered health plans) offered outside the Maryland Health Benefit Exchange (MHBE) and (2) all qualified health plans offered in MHBE. Beyond requiring that benefits be provided for breast cancer screening in accordance with the latest screening guidelines issued by the American Cancer Society or mandated by the ACA, the Maryland benchmark plan also includes reconstructive breast surgery or breast prosthesis – for individuals who have undergone a mastectomy – as EHBs.

Health Savings Account-qualified High Deductible Health Plans

Section 223 of the Internal Revenue Code permits eligible individuals to establish health savings accounts that require, among other things, that individuals be covered under an HDHP and have no disqualifying health coverage. An HDHP may not provide benefits to an individual – unless the benefits are for “preventive care” – until the individual has satisfied their annual minimum deductible. According to Internal Revenue Service guidelines, diagnostic and supplemental breast examinations do not qualify as preventive care.

Lung Cancer Screening Recommendations

USPSTF recommends [annual screening for lung cancer](#) with low-dose computed tomography in adults ages 50 to 80 who have a 20 pack-year (*e.g.*, those who have smoked a pack (of 20 cigarettes) a day for 20 years or two packs a day for 10 years) smoking history and currently smoke or have quit within the past 15 years. Screening should be discontinued once a person has not smoked for 15 years or develops a health problem that substantially limits life expectancy or the ability or willingness to have curative lung surgery.

State Expenditures:

Maryland Department of Health Assessment

MDH general fund expenditures increase by \$28,921 in fiscal 2024 only, which reflects the July 1, 2023 effective date for the assessment provisions. This estimate reflects the cost of hiring one part-time (50%) health policy analyst for a period of seven months to conduct the required assessment (including convening the stakeholder workgroup) and submit the required report by January 1, 2024. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	0.5
Salary and Fringe Benefits	\$18,852
Operating Expenses	<u>10,069</u>
Total FY 2024 State Expenditures	\$28,921

This analysis assumes that the contractual position terminates January 31, 2024, following submission of the required report.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the ACA.

Health Insurance Coverage of Lung Cancer Screening

The Department of Budget and Management advises that any impact on the State plan from mandated coverage of recommended follow-up diagnostic imaging to assist in the diagnosis of lung cancer as specified under the bill is indeterminate.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 815 (Delegate Fennell, *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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