

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7265

BILL NUMBER: HB 1293

DATE PREPARED: Jan 9, 2000

BILL AMENDED:

SUBJECT: Colorectal Cancer Testing.

FISCAL ANALYST: Alan Gossard

PHONE NUMBER: 233-3546

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the group self-insurance program for state employees and any contract under which a health maintenance organization (HMO) provides health care services to state employees to provide coverage for colorectal cancer examinations and laboratory tests.

The bill also requires a group accident and sickness insurance policy that is employer-based to provide coverage for colorectal cancer examinations and laboratory tests. The bill also provides that group HMO contracts that are employer-based to provide colorectal cancer testing as a covered service. The coverage or covered services must cover or include at least one test of a certain type over a certain period of time for an insured or enrollee who is: (1) at least 50 years of age; or (2) less than 50 years of age and at high risk for colorectal cancer according to the most recent published guidelines of the American Cancer Society.

The bill also provides that an insurer or an HMO is required only to offer to provide coverage or services for colorectal cancer screenings in the case of a group insurance policy or group HMO contract that is not employer-based.

Effective Date: July 1, 2000.

Explanation of State Expenditures: This bill could increase expenditures to the state health plans in the provision of health care benefits to state employees to the extent that coverage would have to be provided for services that were not considered medically necessary and to the extent that there were not offsetting savings attributable to early detection. If additional costs to the state health plans are factored into premiums and enrollment fees, costs to the state may increase. By agreement with the state employees, the state agrees to pay 93.5% of any increase in the premiums for both single and family coverage during the life of the agreement. Employees will pick up the remaining 6.5% of any increase. (This note will be updated should additional information become available.)

Explanation of State Revenues:

Explanation of Local Expenditures: Similar to the state, increased premiums and enrollment fees may result in additional costs to local governments and school corporations purchasing health benefits from insurance companies and HMOs for their employee health benefit plans. However, this may not necessarily imply additional budgetary outlays since employer responses to increased health benefit costs may include: (1) greater employee cost sharing in health benefits; (2) reduction or elimination of health benefits; (3) reduction in the size of the workforce eligible for health benefits; and (4) passing costs onto workers in the form of lower wage increases than would have been granted before.

Explanation of Local Revenues:

State Agencies Affected: All

Local Agencies Affected: Local Governments and School Corporations

Information Sources: