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FISCAL IMPACT REPORT

SPONSOR Stewart DATE TYPED 3/13/05 HB 477/aHCPAC

SHORT TITLE Mandate Human Papillomavirus Screening SB _____

ANALYST Rosen

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI		NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From

- Public School Insurance Authority (PSIA)
- Public Regulation Commission (PRC)
- Human Services Department (HSD)
- Department of Health (DOH)
- Health Policy Commission (HPC)
- Corrections Department (CD)

SUMMARY

Synopsis of HCPAC Amendment

House Consumer and Public Affairs Committee amendment to House Bill 477 addresses technical issues, noted below by PSIA, making companion changes to the Health Insurance Contracts section of the Insurance Code and providing for human papillomavirus screening, defined as a test approved by the federal Food and Drug Administration, once every three years for women aged thirty and older.

Synopsis of Original Bill

House Bill 477 amends Article 46 of the New Mexico Insurance Code (Section 59A-46-42 NMSA 1978) to mandate that all individual and group health maintenance organization contracts delivered or issued for delivery in the state provide coverage for human papillomavirus (HPV) screening for once every three years for women aged thirty and older, as well as for women eighteen years of age or older and for women at risk of cancer or other relevant health conditions

as determined by the health care provider in accordance with national medical standards. This required coverage may be subject to deductibles and coinsurance consistent with those imposed on other benefits under the same contract.

Significant Issues

According to DOH, HPV is a sexually transmitted disease (STD) caused by the human papillomavirus. Human papillomavirus is the name of a group of viruses that includes more than 100 different strains or types. More than 30 of these viruses are sexually transmitted and they can infect the genital area of women. Approximately 10 of the 30 sexually transmitted HPV types have been linked to cervical cancer.

DOH indicates persistent infection with these “high-risk” types of HPV is the main risk factor for cervical cancer. Although most people who become infected with HPV will not have symptoms and will clear the infection, some cause abnormal Pap tests. They may also lead to cancer of the cervix, vulva, or anus.

DOH reports most women are diagnosed with HPV on the basis of abnormal Papanicolaou (Pap) tests. A Pap test is the primary cancer-screening tool for cervical cancer or pre-cancerous changes in the cervix, many of which are related to HPV. A specific test is available to detect HPV DNA in women. The test may be used in women with mild Pap test abnormalities or in women 30 years of age at the time of Pap testing. The results of HPV DNA can help health care providers decide if further tests or treatment are necessary.

PERFORMANCE IMPLICATIONS

DOH indicates this bill is consistent with its strategic plan for program area 2: Health Care Delivery – Public Health Division; Strategic Direction: Improve access to health services.

FISCAL IMPLICATIONS

PSIA medical plans currently cover HPV screening when there is a clinical indication. The addition of mandated screening when there is no clinical indication will increase costs, although PSIA believes that increase will be insignificant.

PRC reports it does not anticipate any significant fiscal implications associated with the bill at this time, other than expenses associated with issuance of a bulletin to the affected insurance companies.

HSD reports Medicaid currently offers HPV screening as a covered benefit so there would be no financial impact to HSD.

ADMINISTRATIVE IMPLICATIONS

PSIA membership will need to be notified of the availability of this coverage.

TECHNICAL ISSUES

PSIA notes if the intent is to have all health insurance plans cover HPV screening then similar

language should be inserted in 59A-22-40 and 59A-23B-3.

PRC notes this bill only amends Article 46 of the Insurance Code related to “health maintenance organizations”. Consideration should be given as to whether Articles 47 (Nonprofit Health Plans), 22 (Health Insurance Contracts) and 23 (Group & Blanket Health Insurance Contracts) should be amended as well.

HPC suggests changing language related to the definition of “human papillomavirus screening” (line 20, page 2), changing “approved” to “currently approved” (line 21, page 2).

OTHER SUBSTANTIVE ISSUES

PSIA indicates claim costs will increase due to the mandated coverage but the total impact may be negligible if this test detects cancer at an earlier stage.

According to DOH, The Pap test used in the U.S. cervical cancer screening programs is responsible for greatly reducing deaths from cervical cancer. For 2004, the American Cancer Society estimates that about 10,520 women will develop invasive cancer and about 3,900 will die from this disease. Most women who develop invasive cervical cancer have not had regular cervical cancer screening. (American Cancer Society)

DOH notes that, historically, screening for Pap smears in women was recommended by age 21 years or within three years of becoming sexually active, whichever came first. Screenings were done on an annual basis. However, more recent research has found it is not necessary to screen this often, especially if newer tests are being used.

DOH reports the American Cancer Society (ACS), American College of Obstetricians and Gynecologists (ACOG), and U.S. Preventive Services Task Force have published guidelines that outline when women should receive conventional Pap testing and how often – and recommends Pap testing in all women no later than age 21 years. ACS and ACOG consider specific HPV testing as an option in women older than 30 years or in women already identified to have certain abnormal findings on a Pap test. ACS and ACOG do not specifically recommend universal HPV testing for all women who have a Pap smear.

DOH indicates this bill will leave the decision to test to the discretion of the provider and will mandate insurance coverage when the testing is deemed appropriate. DOH believes ensuring reimbursement may allow more at risk women to be screened.

According to HPC, there approximately 100 different types of HPV where types are classified by risk levels; different risk level types of HPV produce different levels of abnormality in Pap tests results. A small portion of HPV infections actually lead to cervical cancer. However, repeated detection of a “high-risk” type of HPV is a strong predictor for high-grade cervical precancer and invasive cervical cancer.

HPC indicates HPV is more commonly found in woman under 30 years of age than in woman age 30 years and older. Woman age 30 years and older have a greater chance of getting high-grade lesions or cancer.

HPC notes the Food and Drug Administration has approved an HPV DNA test for screening for

the presence of HPV, which can identify 13 different types of HPV that are known to play a role in the development of cervical cancer. HPV screenings can be used in conjunction with Pap tests to determine a woman's risk for developing cervical cancer and also the need for follow-up care. Cervical cancer may be avoidable and curable by utilizing screenings at the right times.

According to HPC, sensitivity and specificity are important indicators for determining how well tests perform. Sensitivity is a measure of how well a test correctly classifies cases whereas specificity measures how well a test does at not misclassifying non-cases as cases. A study of 4358 woman found an HPV DNA test to be more sensitive but less specific than cytology-based strategies for detecting a cervical intraepithelial neoplasia (CIN, referring to a change in the surface cells of the cervix) of 3 or higher.

ALTERNATIVES

See Technical Issues.

HPC suggests changing the frequency (once every three years) in which the HPV screening service is covered to be more frequent.

HPC suggests changing the group (women aged thirty and older) to whom the coverage applies to include women at high-risk for getting cervical cancer.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

HPV testing for women may not be covered by health insurance plans and serve as a valuable preventative measure for cervical cancer.

JR/yr:rs