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FISCAL IMPACT REPORT

SPONSOR <u>HJC</u>	LAST UPDATED <u>2/27/23</u> ORIGINAL DATE <u>1/22/23</u>
SHORT TITLE <u>Breast Exam Health Coverage</u>	BILL NUMBER <u>CS/House Bill 27/HJCS/aHFI#1</u>
ANALYST <u>Esquibel</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
GSD Risk Management Division		\$72.0-\$182.8	\$157.0-\$221.5	\$229.0-\$404.3	Recurring	General Fund, Health Care Benefits Fund
NMPSIA, no cost share		\$72.0	\$157.0	\$229.0	Recurring	Health Care Benefits Administration Fund
RHCA, no cost share		\$182.8	\$221.5	\$404.3	Recurring	Healthcare Benefits Administration Fund
Total		\$72.0-\$437.6	\$157.0-\$600.0	\$229.0-\$1,037.6	Recurring	General Fund, Health Care Benefits Funds

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent version of this legislation.

Sources of Information

LFC Files

Responses Received From

Human Services Department (HSD)
 New Mexico Public School Insurance Authority (NMPSIA)
 Retiree Health Care Authority (RHCA)
 General Services Department (GSD)

No Response Received

Albuquerque Public Schools (APS)

SUMMARY

Synopsis of HFI#1 Amendment to HJC Substitute for House Bill 27

The House Floor amendments to the House Judiciary Committee Substitute for House Bill 27 clarify the provisions of the bill do not apply to high deductible health plans with health savings

accounts until an eligible insured's deductible has been met, unless otherwise allowed pursuant to federal law.

Synopsis of HJC Substitute for House Bill 27

The House Judiciary Committee substitute for House Bill 27 would eliminate insurers imposing cost-sharing for those plans that cover diagnostic and supplemental breast examinations. The HJC substitute specifies the provisions of the bill do not apply to excepted benefit and tax favored plans, such as short-term travel, accident-only or limited-benefit, specified-disease insurance policies, or catastrophic plans.

The bill specifies individual, group health (including public employee coverage), healthcare plan, nonprofit coverage, or certificate of health insurance, delivered or issued for delivery, and individual and group health maintenance organization contract, delivered or issued for delivery in the state, that offers diagnostic and supplement breast examinations shall provide coverage for low-dose screening mammograms for determining the presence of breast cancer.

The legislation's prohibition on cost sharing would prohibit insurance companies from charging insured members for these exams via any deductible, co-insurance, copayment, or other out-of-pocket expense. The bill defines a diagnostic breast examination as any breast examination using diagnostic mammography, breast magnetic resonance imaging, or breast ultrasound.

These imaging methods would be covered for routine cancer screenings, diagnostic testing when abnormalities are suspected, and "supplemental breast examinations." The bill defines a "supplemental breast examination" as an exam using the above imaging methods based on medical or family history that may increase an individual's risk of breast cancer, where no abnormality is seen or suspected.

FISCAL IMPLICATIONS

The General Services Department's Risk Management Division did not provide an estimate of projected costs to the general fund. In FY22, the GSD risk pool included 57,560 insured lives with a varied age range of members, so an estimate to eliminate cost-sharing would cost between NMPSIA and RHCA projected costs at \$72 thousand to \$221.5 thousand.

The Public School Insurance Authority (NMPSIA) reports the cost of eliminating consumer cost-sharing and potential increased utilization for its 44,423 insured lives could cost an estimated \$72 thousand annually. The estimate is based on historical utilization patterns for nonpreventive mammograms, MRIs, and ultrasounds and increased for potential induced utilization and the anticipated impact of overall healthcare cost trend on these services.

The Retiree Health Care Authority (RHCA) estimates the cost of eliminating cost sharing for its 54,138 insured lives at \$110.8 thousand for half a year in 2024 and \$221.5 thousand for a full year in 2025. RHCA's estimate is based on paid claims for 2021 and 2022 from the total amount paid by members for services provided. The average of 2021 and 2022 was utilized to project and estimate costs.

Albuquerque Public Schools, a member of the state Interagency Benefits Advisory Council (IBAC), along with GSD, NMPSIA, and RHCA, did not provide a cost analysis.

SIGNIFICANT ISSUES

The Human Services Department reports the Medicaid program already covers the services that would be required under HB27. There are no cost-sharing provisions in the Medicaid program for covered beneficiaries.

The General Services Department’s Risk Management Division indicates the state employee group insurance health plan currently includes coverage for all diagnostic and supplemental breast examinations that are considered preventive.

The Public School Insurance Authority (NMPSIA) reports, under Section 2713 of the federal Affordable Care Act (ACA), private health plans must provide coverage for a range of recommended preventive services and may not impose cost sharing on patients receiving these services. These requirements apply to all private plans—fully insured and self-insured plans in the individual, small group, and large group markets, except those that maintain “grandfathered” status. Among the required preventive services are evidence-based services for adults that have a rating of “A” or “B” in the current recommendations of U.S. Preventive Services Task Force (USPSTF). Currently, the USPSTF includes a biennial screening mammography for women aged 50 to 74 years as a “B” recommendation. These are currently covered by NMPSIA’s plans with no cost sharing for members.

OTHER SUBSTANTIVE ISSUES

The American Cancer Society indicates breast cancer is the most common cancer in women in the United States, except for skin cancers. It is about 30 percent of all new female cancers each year. The average risk of a woman in the United States developing breast cancer sometime in her life is approximately 13 percent. Breast cancer death rates have been decreasing since 1989, for an overall decline of 43 percent through 2020. The decrease in death rates is believed to be the result of finding breast cancer earlier through screenings, as well as better treatments. However, the decline has slowed slightly in recent years.

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