

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 21, 2009
POSITION: Oppose
SPONSOR: American Cancer Society

BILL NUMBER: SB 161
AUTHOR: R. Wright

BILL SUMMARY: Health Care Coverage: Cancer Treatment

Under current law, the department of Managed Health Care (DMHC) and the Department of Insurance (DOI) are responsible for the licensure and regulations of health care plans and insurers, respectively.

This bill, beginning January 1, 2010, would require health care service plan contracts and health insurance policies that provide coverage for cancer chemotherapy treatment to provide coverage for a prescribed, orally-administered cancer medication used to kill or slow the growth of cancerous cells on a basis no less favorable than intravenously-administered or injected cancer medications covered under the contracts or policies.

This bill would require health care service plans or health insurers to review the percentage cost share, for oral cancer medications and intravenous or injected cancer medications and to apply the lower of the two as the cost-sharing provision for oral cancer medications.

FISCAL SUMMARY

The DMHC estimates cost for the first year to be approximately \$141,000 for increased workload for plan review, regulation development, surveys, training, and responding to consumer complaints.

The DOI indicates costs would be minor and absorbable.

COMMENTS

Finance is opposed to this bill for the following reason:

- This bill creates a new health care coverage mandate that would increase overall health care costs for employers and enrollees. The Administration's position is to look for more comprehensive solutions that include affordability, cost-containment, and shared responsibility, as opposed to one-sided mandates that place additional costs on the health care system.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)								Fund Code		
	SO	(Dollars in Thousands)									
	LA	CO	PROP	FC	2009-2010	FC	2010-2011	FC		2011-2012	
2400/MngedHltCare	SO	No	C		\$141	C		\$7	C	\$7	0933
0845/Insurance	SO	No			----- No/Minor Fiscal Impact -----					0217	

<u>Fund Code</u>	<u>Title</u>
0217	Insurance Fund
0933	Managed Care Fund

Analyst/Principal	Date	Program Budget Manager	Date
(0761) C. Hill		Mark Hill	

Department Deputy Director	Date

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____