

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 10-0417 **Date:** January 28, 2010
Prime Sponsor(s): Rep. Primavera; McNulty **Bill Status:** House Business Affairs and Labor
 Sen. Tochtrop **Fiscal Analyst:** Clare Pramuk (303-866-2677)

TITLE: CONCERNING HEALTH BENEFIT COVERAGE FOR CHEMOTHERAPY TREATMENT.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: None.		
Local Government Impact: See Local Government Impact section of fiscal note.		

Summary of Legislation

This bill requires a health benefit plan that provides coverage for cancer chemotherapy treatment to cover orally administered anticancer medication at the same copayment percentage or relative coinsurance amount as is applied to intravenously administered or injected anticancer medication. An oral medication is covered by the bill if it is approved by the federal Food and Drug Administration, determined to be medically necessary, and not prescribed primarily for the convenience of the patient, physician, or other health care provider. The carrier cannot increase patient out-of-pocket costs for intravenously administered or injected chemotherapy to comply with the bill. Carriers can specify which oral medications they cover (formulary) and substitute an oral generic medication when available.

Background

Depending on the type of cancer and course of treatment, chemotherapy medications may be administered differently. They can be given orally or injected into a muscle, under the skin, into a vein, or into the fluid around the spine. A combination of medications is often used to more effectively treat the disease. Intravenous or injected anticancer medications are often administered in a medical setting such as a clinic or hospital and are generally covered under the major medical portion of the health plan. Some chemotherapy medications can be taken orally and can be self-administered. The oral medications are generally covered under the prescription drug benefit of a health plan and require higher out-of-pocket costs for the patient than intravenous or injected chemotherapy.

State Expenditures

This bill may increase premiums for state employee health insurance but may not result in increased costs for the state. The amount of the state contribution to employee health insurance premiums is 90 percent of what employers in the market are contributing towards insurance premiums for their employees. If the bill affects the market by increasing premiums and employers respond by increasing contributions to those premiums, the state could see a fiscal impact. If the premiums for state employee insurance increase and the market contribution remains the same, that increase will be borne by state employees. This amount cannot be determined but is expected to be minimal.

Local Government Impact

HB10-1202 transfers costs from a patient to an insurance carrier in order to reduce the patient's out-of-pocket costs. As a result, premiums may increase for health insurance at the local level for policies that cover chemotherapy but have a disparity between co-payments or coinsurance for oral versus intravenous or injected chemotherapy. The size of the increase and who will bear the expense cannot be determined.

Departments Contacted

Personnel and Administration
Health Care Policy and Financing

Regulatory Agencies
Corrections