

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3030/1	Introduction Number AB-617
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Subject
 Requiring insurers to cover routine costs in clinical trials if costs are generally covered

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By ETF/ Jon Kranz (608) 267-0908	Authorized Signature Dave Stella (608) 266-3641	Date 9/2/2005
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Fiscal Estimate Narratives

ETF 9/6/2005

LRB Number	05-3030/1	Introduction Number	AB-617	Estimate Type	Original
Subject					
Requiring insurers to cover routine costs in clinical trials if costs are generally covered					

Assumptions Used in Arriving at Fiscal Estimate

AB 617 would prohibit health insurers providing coverage under the state and local employees group health insurance programs from denying coverage for a health care service, item or drug administered in a cancer clinical trial if the service, item or drug would have been covered if had not been provided in a clinical trial. Assumption used in the preparation of this estimate are as follows:

- * The incidence rate of people who have cancer in Wisconsin is 480 cases per 100,000 (approximately .5%).
- * Approximately 3.0% to 4.5% of all cancer patients enroll in clinical trials.
- * Increased costs due to covering cancer clinical trials range from \$3,100 to \$4,300 per affected patient per year.
- * There are approximately 164,000 covered lives in the state employee group insurance program.
- * There are approximately 22,000 covered lives in the local employee group insurance program.

According to the consulting actuary for the Group Insurance Board, this bill would increase costs by \$.04 to \$.08 per member per month. Therefore, total annual program costs associated with the state employee health insurance program are estimated to increase \$78,200 - \$157,400. Total annual program costs for the local employee health insurance program administered by the Group Insurance Board are estimated to increase by \$10,650 - \$21,120.

Note that this estimate only includes costs associated with plans administered by the Group Insurance Board.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$see narrative	\$see narrative
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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