

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3031/1	Introduction Number SB-288	
Subject		
Requiring insurers to cover routine costs in clinical trials if costs are generally covered		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
Local:		
<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DHFS/ Curtis Cunningham (608) 266-5362	Andy Forsaith (608) 266-7684	8/31/2005

Fiscal Estimate Narratives

DHFS 8/31/2005

LRB Number 05-3031/1	Introduction Number SB-288	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

Senate Bill 288 prohibits a health care plan from denying coverage of a health care service, item, or drug administered in a cancer clinical trial if the service, item or drug would have been covered if not administered as part of the clinical trial and if the clinical trial meets certain requirements.

Senate Bill 288 will have a small indeterminate fiscal impact on the Medicaid program. This legislation does not directly impact Medicaid statutes. Medicaid currently covers routine costs associated with clinical trials. However, to the extent that some of these costs would be paid by third party insurers, there may be a reduction in Medicaid costs.

In addition, it is unknown what the fiscal impact of Senate Bill 288 will be on the Health Insurance Risk Sharing Pool (HIRSP). Current HIRSP policy does not specifically address the coverage of medically necessary services provided through a clinical trial. There is, however, a general provision that HIRSP is payor of last resort. As a result, there is uncertainty if HIRSP would be responsible for costs involved in a clinical trial if the clinical trial would support the costs. However, under current HIRSP administrative processes, it is not possible to identify whether a cost is related to a clinical trial so if clinical trial costs were billed to HIRSP for medically necessary services the costs would likely be paid by HIRSP. If this bill is enacted, it is possible that more costs incurred in a clinical trial setting would be billed to HIRSP. However, it is possible that a portion or majority are already being billed.

Long-Range Fiscal Implications