



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #475

### Eligibility for Women Diagnosed With Breast and Cervical Cancer (DHFS -- Medical Assistance)

[LFB 2001-03 Budget Summary: Page 362, #14]

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#### CURRENT LAW

Generally, to be eligible for MA, an adult must meet certain income and asset criteria and: (a) have dependent children; (b) be disabled; or (c) be 65 years of age or older.

#### GOVERNOR

Provide \$280,600 (\$82,100 GPR and \$198,500 FED) in 2001-02 and \$1,340,400 (\$392,100 GPR and \$948,300 FED) in 2002-03 to support the costs of expanding MA eligibility to certain women diagnosed with breast or cervical cancer. Specify that effective January 1, 2002, a woman would be eligible for all MA benefits and services if she: (a) is not otherwise eligible for MA or BadgerCare; (b) is under 65 years of age; (c) is not eligible for creditable health care coverage, as defined under federal law; (d) has been screened for breast or cervical cancer under a U.S. Centers for Disease Control and Prevention (CDC) national breast and cervical cancers early detection grant program; and (e) requires treatment for breast or cervical cancer.

#### DISCUSSION POINTS

1. As reported in Health Care State Rankings 2001; Health Care in the 50 United States [Morgan Quitno Press, 2001], the American Cancer Society estimates that 192,200 women, including 3,600 in Wisconsin, will be diagnosed with breast cancer in the U.S. in 2001. Approximately 111 out of every 100,000 women have breast cancer. The American Cancer Society also estimates that 12,900 women, including 200 in Wisconsin, will be diagnosed with cervical cancer in the U.S. in 2001. Early detection and treatment appear to be the key to increasing the

chances of survival for both types of cancer.

2. Under the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000 (P.L. 106-354), states may provide full MA coverage to women, under age 65, who do not have access to creditable health care coverage and require treatment for breast or cervical cancer, including pre-cancerous conditions and early stage cancer if diagnosed under a grant from the CDC's national breast and cervical cancer early detection program. Under this option, women may be eligible for MA regardless of their income. States that exercise this option are eligible for enhanced federal matching funds equal to the enhanced matching rate available under the state children's health insurance program, currently 71.19% for Wisconsin, compared with approximately 59% for other categories of MA.

3. The overall goal of the CDC grant program is to reduce mortality from breast and cervical cancers. The grant funds clinical breast examinations, mammograms, pelvic examinations and Papanicolaou tests. Additionally, the grant can be used to support diagnostic services, such as surgical consultation and biopsies. The U.S. Department of Health and Human Services, Health Care Financing Administration (HCFA) indicates that over the last 10 years, the CDC grant has diagnosed over 8,600 breast cancers, 39,000 pre-cancerous cervical lesions and 660 cervical cancers.

4. In Wisconsin, the CDC grant funding is used in conjunction with the Wisconsin well woman (WWW) program, administered by the DHFS Division of Public Health. This program provides funds to local public health agencies for comprehensive health screenings for women, primarily 45 to 64 years of age, who are uninsured or underinsured and who have household income less than 250% of the federal poverty level.

5. While the CDC grant funds screenings for breast and cervical cancers and pre-cancerous conditions, it does not fund treatment once such conditions are identified. Because women screened under the grant program are uninsured or underinsured, they often find it difficult to get treatment or to pay for it. P.L. 106-354 was enacted to ensure that women diagnosed with breast or cervical cancers or pre-cancerous conditions can be treated for these conditions.

6. Treatment for breast cancer may involve: (a) a lumpectomy (local removal of the tumor) and removal of the lymph nodes under the arm; (b) a mastectomy (surgical removal of the breast) and removal of the lymph nodes under the arm; (c) radiation therapy; (d) chemotherapy; or (e) hormone therapy. Often, one or more of these methods are used in combination. Under MA, breast reconstructive surgery is covered after a mastectomy, subject to prior approval.

7. The bill provides \$280,600 (\$82,100 GPR and \$198,500 FED) in 2001-02 and \$1,340,400 (\$392,100 GPR and \$948,300 FED) in 2002-03 in the MA benefits appropriation to support benefit costs for women eligible for MA under the expansion. Of the funding provided, \$9,800 (\$4,900 GPR and \$4,900 FED) in 2001-02 and \$46,900 (\$23,500 GPR and \$23,400 FED) in 2002-03 is intended to support county administrative costs associated with determining MA eligibility women diagnosed with breast or cervical cancer. This funding is budgeted in the MA

benefits appropriations and should instead be budgeted in the appropriations for MA administrative costs.

8. If the Committee adopts the Governor's recommendations to provide full MA benefits to women diagnosed with breast and cervical cancer, funding budgeted in 2002-03 should be reduced by \$249,200 (\$72,900 GPR and \$176,300 FED) in 2002-03 to fully fund the costs of the proposal, as reestimated by this office.

9. DHFS argues that it is necessary to provide funding for county administrative costs resulting from the MA expansion. The estimate is based on an assumption that the costs associated with determining MA eligibility total \$36.37 per month per case. This is the same estimate used for county administrative costs associated with Family Care.

10. Under this expansion, counties would not be required to determine eligibility based on income, therefore determining initial eligibility should be a simplified task relative to other eligibility categories. However, because MA eligibility is only available while a woman would require treatment, counties would have to monitor a woman's progress to determine when she no longer requires treatment. DHFS has not yet established the criteria for determining when a woman requires treatment.

11. The Committee could delete the funding provided for administrative costs since the number of women eligible under this provision is expected to be relatively small (50 in 2001-02 and 110 in 2002-03). Additionally, the allocation for county eligibility administration is not a caseload-driven allocation, meaning that it is not regularly revised to reflect increases and decreases in the caseload. For example, after the implementation of W-2, when MA caseloads decreased significantly, the eligibility administration allocation was not decreased to reflect lower caseloads, nor was the allocation subsequently increased when those caseloads began rising.

12. It has been practice to provide additional funding to counties for eligibility administration when MA is significantly expanded or modified through new initiatives such as Family Care and BadgerCare. When smaller expansions are implemented, it has not been the practice to add new funding, such as when MA was expanded to cover individuals with tuberculosis in the 1995-97 biennial budget. Providing funding under this expansion could set a precedent to increase the allocation for county eligibility administration with each expansion of MA eligibility criteria.

**ALTERNATIVES TO BASE**

1. Approve the Governor’s recommendations but reduce funding in the bill by \$249,200 (\$72,900 GPR and \$176,300 FED) in 2002-03 to reflect the estimated benefit and administrative costs of expanding MA to cover certain women diagnosed with breast and cervical cancer. Additionally, transfer administrative funding from the MA benefits appropriations to the MA administration appropriations.

<b>Alternative 1</b>	<b>GPR</b>	<b>FED</b>	<b>TOTAL</b>
<b>2001-03 FUNDING</b> (Change to Base)	\$401,300	\$970,500	\$1,371,800
<i>[Change to Bill]</i>	<i>- \$72,900</i>	<i>- \$176,300</i>	<i>- \$249,200]</i>

2. Approve the Governor’s recommendations, but reduce funding in the bill by \$9,800 (\$4,900 GPR and \$4,900 FED) in 2001-02 and \$287,400 (\$92,000 GPR and \$195,400 FED) in 2002-03 to reflect the estimated benefit costs of expanding MA to cover certain women diagnosed with breast or cervical cancer. This alternative would not provide funding for county administrative costs associated with determining eligibility for MA.

<b>Alternative 2</b>	<b>GPR</b>	<b>FED</b>	<b>TOTAL</b>
<b>2001-03 FUNDING</b> (Change to Base)	\$377,300	\$946,500	\$1,323,800
<i>[Change to Bill]</i>	<i>- \$96,900</i>	<i>- \$200,300</i>	<i>- \$297,200]</i>

3. Delete provision.

<b>Alternative 3</b>	<b>GPR</b>	<b>FED</b>	<b>TOTAL</b>
<b>2001-03 FUNDING</b> (Change to Base)	\$0	\$0	\$0
<i>[Change to Bill]</i>	<i>- \$474,200</i>	<i>- \$1,146,800</i>	<i>- \$1,621,000]</i>

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