

# Department of Planning and Budget

## 2001 Fiscal Impact Statement

**1. Bill Number** HB2828

House of Origin    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
 Second House       ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron**            Amundson

**3. Committee**    Health, Welfare & Institutions

**4. Title**             Breast or cervical cancer treatment for certain women.

**5. Summary/Purpose:**

This bill requires inclusion of certain individuals who have been screened and found to have either breast or cervical cancer under the Centers for Disease Control and Prevention (CDC) Breast and Cervical Cancer Early Detection Program into the state plan for medical assistance services. This bill further states that presumptive eligibility for payment of medical assistance for treatment of breast or cervical cancer treatment on behalf of such women is required as authorized in federal law. A woman is considered screened if one of two conditions is met. First, all or part of the costs of her screening services has been paid for with CDC Title XV funds. Second, a woman has received her screening from a provider or entity that is at least partially funded by CDC Title XV funds or her screening was performed by any provider or entity deemed by the Virginia CDC Title XV grantee as a partner in the state's CDC Title XV activities.

**6. Fiscal Impact Estimates are: Preliminary**

6a. Expenditure Impact:

***Item 316, Subprogram 47901***

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	\$0	0.0	GF
2000-01	\$0	0.0	NGF
2001-02	\$6,408	0.0	GF
2001-02	\$19,223	0.0	NGF
2002-03	\$2,916	0.0	GF
2002-03	\$8,748	0.0	NGF

***Item 319, Subprogram 45609***

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	\$0	0.0	GF
2000-01	\$0	0.0	NGF
2001-02	\$616,185	0.0	GF
2001-02	\$1,200,935	0.0	NGF
2002-03	\$749,374	0.0	GF
2002-03	\$1,451,431	0.0	NGF

***Total Department of Medical Assistance Services***

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	\$0	0.0	GF
2000-01	\$0	0.0	NGF
2001-02	\$622,593	0.0	GF
2001-02	\$1,220,158	0.0	NGF
2002-03	\$752,290	0.0	GF
2002-03	\$1,460,179	0.0	NGF

6b. Revenue Impact: None

**7. Budget amendment necessary:** Yes, Item 316, Subprogram 47901 and Item 319, Subprogram 45609

**8. Fiscal implications:**

***Administrative and Support Services***

The Department of Medical Assistance Services (DMAS) estimates that it will incur increased expenditures associated with its Medicaid Management Information System (MMIS) because of this bill. The MMIS will have to be adjusted to accommodate the claims it will process as a result of the eligibility group that this bill would create. The agency would need to create a new identifier in its MMIS for this new eligibility group so as not to confuse individuals admitted to Medicaid because of this bill with other individuals currently in the system who have different eligibility requirements. DMAS estimates the cost for these adjustments to be \$16,000 (\$4,000 GF) in FY 2002. The additional claims resulting from this bill will also result in additional claims processing charges. DMAS bases its claims processing cost estimate on the forecast methodology it currently uses to forecast claims processing charges which is .53 percent of total medical expenditures. DMAS estimates these charges to be \$9,631 (\$2,408 GF) in FY 2002 and \$11,664 (\$2,916 GF) in FY 2003 using a 75 percent federal matching rate.

***Medical Assistance Services (Medicaid)***

The Virginia Department of Health (VDH) reports that as of November 2000, it had enrolled 5,370 women in the CDC Breast and Cervical Cancer Early Detection Program. Of the women enrolled in the screening program since 1997, 62 have been diagnosed with breast cancer and 13 have been diagnosed with cervical cancer. To determine the potential breast cancer population in FY 2002, DMAS adds the number of women from the initial 62 women projected to still require follow-up treatment (VDH has determined 37 women) to the number of women projected to receive diagnoses of breast cancer (68) as provided by the Virginia Breast and Cervical Cancer Early Detection Program study by Ertel (RN, MSN) and McGarvey (EdD) of the University of Virginia. This resulting potential breast cancer population is 105 women. The authors of the University of Virginia study state that it was written to provide information to decision makers who may be considering a Medicaid waiver to pay for treatment for women participating in Virginia's Breast and Cervical Cancer Early Detection Program. VDH warns that its projections of people from the initial diagnosed breast and cervical cancer populations who will require continued treatment are probably underestimated.

The Ertel and McGarvey study does not provide a diagnosed population estimate for cervical cancer for either FY 2002 or FY 2003. Therefore, DMAS has taken the 13 women diagnosed with cervical cancer and divided that total number by three years (1997 to 2000). VDH estimates that

two of the 13 originally diagnosed with cervical cancer will require follow-up treatment in FY 2002. The yearly average of four women has then been added to the two women from the initially diagnosed population to arrive at an estimated population of 6 for FY 2002.

For FY 2003, DMAS determines the potential breast cancer population by carrying over approximately 70 percent of the women from the previous year (74) and adding this population to the FY 2003 diagnosed population estimate given in the study (53) for a population of 127 women. DMAS determines the potential cervical cancer population by carrying over 70 percent of the women from the previous year (4) and adding this total to the yearly average of four women. However, DMAS points out that due to rounding in its estimate of the FY 2003 cervical cancer population, the total number of women is actually nine.

DMAS bases its calculation of potential treatment costs on its average Medicaid recipient treatment costs for breast and cervical cancer. In FY 2000, DMAS had 383 recipients receive treatment for breast cancer. The average cost per recipient was \$16,667. DMAS estimates that total breast cancer treatment costs resulting from this bill would amount to approximately \$1.8 million (\$593,437 GF) in FY 2002 and \$2.1 million (\$717,902 GF) in FY 2003. Accordingly, DMAS reports that 128 women received treatment for cervical cancer in FY 2000. The average cost per recipient was \$10,493. DMAS estimates that total cervical cancer treatment costs resulting from this bill would be \$67,085 (\$22,748 GF) in FY 2002 and \$92,429 (\$31,472 GF) in FY 2003.

**9. Specific agency or political subdivisions affected: DMAS**

**10. Technical amendment necessary: No**

**11. Other comments:** VDH operates the federal screening program in the Commonwealth. Local health departments, clinics and major medical centers are responsible for conducting the screenings. Currently, VDH does not provide treatment for individuals diagnosed with breast or cervical cancer.

DMAS does not grant presumptive eligibility to any Medicaid eligible group. The agency is concerned that this bill's reference to presumptive eligibility could be used as precedent for potential recipients to demand presumptive eligibility in the future.

This bill is identical to SB 1377.

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cc: Secretary of Health and Human Resources

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