

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** HB 3156

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

**2. Patron**        Wittman

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

**4. Title**            Medicaid Coverage of Intensity Based Modulated Radiation Therapy

**5. Summary/Purpose:** This bill requires the Department of Medical Assistance Services (DMAS) to reimburse providers for solid compensator Intensity Modulated Radiation Therapy (IMRT) as a treatment for breast cancer, lung cancer and other solid tumors associated with four specific diagnostic conditions.

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

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	\$1,612,779	0.0	GF
2008	\$1,612,779	0.0	NGF
2009	\$1,610,211	0.0	GF
2009	\$1,610,211	0.0	NGF
2010	\$1,690,721	0.0	GF
2010	\$1,690,721	0.0	NGF
2011	\$1,775,257	0.0	GF
2011	\$1,775,257	0.0	NGF
2012	\$1,864,020	0.0	GF
2012	\$1,864,020	0.0	NGF

**7. Budget amendment necessary:** Yes, Item 302, Service Area 45609.

**8. Fiscal implications:** The Medicaid fee-for-service program currently covers IMRT treatment, including treatment from a Solid Compensator IMRT machine for all the diagnostic conditions deemed medically necessary by the treating physician(s). This includes the treatments identified in this bill. However, Virginia Medicaid's contracted managed care organizations (MCOs) currently have varying restrictions specific to IMRT treatment. The fiscal impact of this bill is based on the projected increase in the per member per month (PMPM) rate for Medicaid contracted MCOs to mandate coverage of this treatment.

An October 2006 Joint Legislative Audit and Review Commission study estimated a \$1 to \$2 increase in MCO capitation rates to require this coverage. Given that Virginia's Medicaid MCOs already provide this service on a limited basis, DMAS has projected an increase of \$0.75 PMPM would be necessary to require the incremental coverage. With a forecast of 4.3 million member months in FY 2008, the cost would be about \$3.2 million (\$1.6 million GF).

**9. Specific agency or political subdivisions affected:** Department of Medical Assistance Services.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 01/26/07 mst

**Document:** G:\Ga Sessions\2007 Session\Fis\Hb3156.Doc  
**cc:** Secretary of Health and Human Resources