

Department of Planning and Budget

2012 Fiscal Impact Statement

1. Bill Number: SB 450

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

2. Patron: Vogel

3. Committee: Passed Both Houses

4. Title: Requirements for orally administered cancer chemotherapy drugs

5. Summary: The bill would require each (i) insurer proposing to issue individual or group accident and sickness insurance policies providing hospital, medical and surgical, or major medical coverage on an expense-incurred basis; (ii) corporation providing individual or group accident and sickness subscription contracts; and (iii) health maintenance organization providing a health care plan for health care services, whose policies, contracts, or plans, including any certificate or evidence of coverage issued in connection with such policies, contracts, or plans, include coverage for cancer chemotherapy drugs administered orally and intravenously or by injection to provide that the criteria for establishing cost sharing applicable to orally administered cancer chemotherapy drugs and cancer chemotherapy drugs that are administered intravenously or by injection are consistently applied within the same plan.

The bill also would require the state employees' health insurance plan and the local choice health program to consistently apply, within the same plan, the criteria for establishing the level of copayments or coinsurance for orally administered cancer treatment drugs and cancer chemotherapy drugs that are administered intravenously or by injection.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: No significant fiscal impact; final.

8. Fiscal Implications: According to the Department of Human Resource Management (DHRM), this bill would result in no significant fiscal impact to the Commonwealth. The bill would require that the criteria for establishing cost sharing applicable to orally administered cancer chemotherapy drugs and cancer chemotherapy drugs that are administered intravenously or by injection be consistently applied within the same plan. Currently, there is no coinsurance required for cancer chemotherapy drugs that are administered intravenously or by injection; other such drugs require a 20 percent coinsurance payment. Therefore, according to DHRM, under the provisions of this bill, the Commonwealth would begin to require a 20 percent coinsurance payment for cancer chemotherapy drugs that are administered intravenously or by injection. This would result in some additional costs to members and some cost savings to the state. However, any such cost savings are not likely to be significant, primarily because the majority of these members are expected to reach their out-of-pocket maximums even without these additional payments.

9. Specific Agency or Political Subdivisions Affected: Department of Human Resource Management.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/28/2012

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c: Secretary of Administration