

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: Commerce and Labor

4. Title: Parity of coverage for oral chemotherapy medications

5. Summary: The bill would require health insurers, health care subscription plans, and health maintenance organizations whose policies provide coverage for cancer chemotherapy treatment to provide coverage for a prescribed, orally administered anticancer medication on a basis no less favorable than that on which it provides coverage for intravenously administered or injected anticancer medications. Such a policy, contract, or plan could not require a higher copayment, deductible, or coinsurance amount for a prescribed, orally administered anticancer medication than what it requires for an intravenously administered or injected anticancer medication that is provided, regardless of formulation or benefit category determination by the insurer, corporation, or health maintenance organization. The mandate would apply to the state employees' health insurance plan and to the local choice health program.

6. Budget Amendment Necessary: Yes, Item 468.

7. Fiscal Impact Estimates: Final.

8. Fiscal Implications: According to the Department of Human Resource Management, this bill would result in additional costs of approximately \$584,000 per year. These additional costs would be recovered through increased health insurance premiums. Of the total increased premiums, about \$287,500 would be from the general fund and about \$240,000 from nongeneral funds. The remainder would come from employee and early retiree premiums. Because chemotherapy costs are currently covered at 100 percent, the bill would require the elimination of co-payments for oral anticancer medications. The fiscal impact is based on the amount of co-payments currently collected for such medications.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/23/2012

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c: Secretary of Administration