

Department of Planning and Budget 2023 Fiscal Impact Statement

1. **Bill Number:** HB 2093

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** King

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

4. **Title:** State plan for medical assistance services; durable medical equipment; cranial prostheses

5. **Summary:** The proposed legislation provides for the payment under the state plan for medical assistance services of medical assistance for cranial prostheses furnished to a patient when the patient's attending physician, physician assistant, or nurse practitioner certifies in writing the medical necessity of such prostheses as part of a proposed course of rehabilitative treatment.

6. **Budget Amendment Necessary:** Yes, Item 304.

7. **Fiscal Impact Estimates:** Preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2024	\$ 127,061	General
2024	\$ 372,758	Nongeneral
2025	\$ 163,841	General
2025	\$ 472,911	Nongeneral
2026	\$ 165,243	General
2026	\$ 476,958	Nongeneral
2027	\$ 166,657	General
2027	\$ 481,039	Nongeneral
2028	\$ 168,083	General
2028	\$ 485,155	Nongeneral
2029	\$ 169,522	General
2029	\$ 489,307	Nongeneral
2030	\$ 169,522	General
2030	\$ 489,307	Nongeneral

8. **Fiscal Implications:** The proposed legislation would add cranial prostheses as a new covered service for the Medicaid and CHIP populations. It is assumed that the service would primarily be used by members with a diagnosis of alopecia or cancer with chemotherapy treatment. In calendar year 2021 there were 7,568 members with those diagnoses (1,629 with

alopecia and 5,939 with chemotherapy treatment) in the fee-for-service and managed care populations. Research suggests that approximately 65 percent of individuals receiving chemotherapy will experience hair loss. Cost estimates assumes an overall take up rate of 50 percent. This results in an expected population of 2,745 members for the initial utilization estimate for FY 2024.

Medicaid programs in Connecticut, Maryland, Massachusetts, Minnesota, and New Hampshire have a similar benefit for cranial prostheses with a maximum allowable amount of \$350. Based on this estimate, it is assumed the average cost to be \$230 per year, or two-thirds of the maximum. Based on the above assumptions, adding this service is expected to increase annual program costs by \$631,350. Cost estimates in Item 7 assume an effective date of July 1, 2023, and a four-month ramp up period, resulting in lower costs in FY 2024. An annual growth rate of 0.9 percent is assumed beginning in FY 2025, based on the population growth of Medicaid adults.

9. Specific Agency or Political Subdivisions Affected:
Department of Medical Assistance Services

10. Technical Amendment Necessary: No

11. Other Comments: None