

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB513

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

2. Patron: Hope

3. Committee: Labor and Commerce

4. Title: State plan for medical assistance services and health insurance; pediatric autoimmune.

5. Summary: Directs the Board of Medical Assistance Services to amend the state plan for medical assistance services to include a provision for payment of medical assistance for the prophylaxis, diagnosis, and treatment of pediatric autoimmune neuropsychiatric disorders associated with streptococcal infections (PANDAS) and pediatric acute-onset neuropsychiatric syndrome (PANS) that includes payment for treatment using antimicrobials, medication and behavioral therapies to manage neuropsychiatric symptoms, immunomodulating medicines, plasma exchange, and intravenous immunoglobulin therapy.

The bill also requires each 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; each corporation providing individual or group accident and sickness subscription contracts; and each health maintenance organization providing a health care plan for health care services to provide coverage for the prophylaxis, diagnosis, and treatment of PANDAS and PANS. The bill requires such coverage to include treatment using antibiotics, medication, and behavioral therapies to manage neuropsychiatric symptoms, immunomodulating medicines, plasma exchange, and intravenous immunoglobulin therapy. The bill prohibits an insurer, corporation, or organization from (i) denying or delaying the coverage of PANDAS or PANS because the enrollee previously received treatment or because the enrollee was diagnosed with or received treatment for his condition under a different diagnostic name, including autoimmune encephalopathy; (ii) limiting coverage of immunomodulating therapies for the treatment of PANDAS or PANS in a manner that is inconsistent with the treatment guidelines developed by a consortium convened for the purposes of researching, identifying, and publishing best practice standards for diagnosis and treatment of PANDAS or PANS that are accessible for medical professionals and are based on evidence of positive patient outcomes; (iii) requiring a trial of therapies that treat only neuropsychiatric symptoms before authorizing coverage of immunomodulating therapies for the treatment of PANDAS or PANS; or (iv) denying coverage for out-of-state treatment if the service is not available within the Commonwealth.

6. Budget Amendment Necessary: Yes, Item 469 of HB 30 for the general fund cost to the state health insurance plan.

7. Fiscal Impact Estimates: Preliminary – see Item 8.**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$0	0.00	-
2025	\$792,000	0.00	GF
2025	\$792,000	0.00	NGF
2026	\$792,000	0.00	GF
2026	\$792,000	0.00	NGF

8. Fiscal Implications: According to the Department of Human Resource Management, the proposed legislation is expected to have an annual fiscal impact of 1,584,000. The projected cost will provide coverage for the prophylaxis, diagnosis, and treatment of PANDAS and PANS through the state health insurance plan.

According to the Department of Medical Assistance Services, the cost of this proposal is indeterminate but expected to be minimal. The department assumes that treatments currently associated with PANS and PANDAS are already covered in Medicaid and FAMIS, including behavioral therapies. However, PANS and PANDAS do not have specific diagnosis code and future treatment protocols are unknown. To the extent any of these potential treatments are utilized because of the bill, then additional costs may be incurred.

According to the State Corporation Commission (SCC), qualified health plans (QHPs) sold through the Health Benefit Exchange are not impacted by the provisions of this bill. Section 38.2-6506 A 1, Code of Virginia, states that if services are identified in addition to the ones contained in the state's Benchmark Plan, QHPs sold through the Exchange would not be required to cover these services. However, the Centers for Medicare & Medicaid Services (CMS) has cautioned that state standards must be applied uniformly within a market for all individual and small group plans according to the Affordable Care Act. This requirement could cause the state to defray costs of this benefit for QHPs, with the SCC's Bureau of Insurance administering that defrayal.

9. Specific Agency or Political Subdivisions Affected: Department of Human Resource Management, Department of Medical Assistance Services, and State Corporation Commission

10. Technical Amendment Necessary: No.

11. Other Comments: The fiscal impact statement has been revised to include additional information from the SCC.