



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 56 of the 128th G.A.

Date: May 19, 2009

Status: As Introduced

Sponsor: Rep. E. Miller

Local Impact Statement Procedure Required: Yes

Contents: To require certain health care plans to provide benefits for colorectal cancer examinations and laboratory tests for cancer.

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2010	FY 2011	FUTURE YEARS
Counties, Municipalities, Townships, and School districts			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase	Potential increase	Potential increase

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The provision that requires public employee benefit plans to provide benefits for colorectal cancer examinations and laboratory tests may increase costs to counties, municipalities, townships, and school districts statewide of providing health benefits to their employees and their dependents. LSC staff could not determine the estimated fiscal impact due to lack of information on the number of political subdivisions that do not currently provide such benefits under their plans.

Detailed Fiscal Analysis

The bill requires policies, contracts, agreements, and plans of health insuring corporations (HICs), sickness and accident insurers, multiple employer welfare arrangements, and public employee benefit plans to provide benefits for colorectal cancer examinations and laboratory tests for colorectal cancer. The bill specifies that an individual who is less than 50 years old, but has high risk for colorectal cancer according to the most recent American Cancer Society screening guidelines and an individual who is 50 years old or older are eligible for such coverage.

The bill indicates that the Department of Insurance is not required to conduct an analysis of the impact of the coverage for colorectal cancer examinations and laboratory tests. Currently, any mandated health benefits legislation enacted by the General Assembly may not be applied to any policy, contract, plan, or other arrangement providing sickness and accident or other health benefits until the Superintendent of Insurance determines that the provision can be applied fully and equally in all respects to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA) and employee benefit plans established or modified by the state or any political subdivision of the state, or by any agency or instrumentality of the state or any political subdivision of the state. The bill includes a provision that exempts its requirements from this provision of current law.

Fiscal Effect

The bill has no fiscal effect on the state. Currently, state health benefit plans and the Medicaid Program provide benefits for colorectal examinations and laboratory tests. However, it may increase costs to local subdivisions of providing health benefits to their employees and their dependents. LSC staff could not determine the magnitude of the fiscal impact due to lack of information on the number of local subdivisions' health benefit plans that already provide such benefits.

Based on a Centers for Disease Control (CDC) and Centers for Medicare & Medicaid Services (CMS) publication, *Colorectal Cancer Facts on Screening*, the estimated costs per colorectal examination and laboratory test ranged from \$10 to \$1,600 depending on the type of test needed.¹ According to the Ohio Public Employees Retirement System defined benefit valuation data as of December 31, 2006 for its Local Government division, approximately 86,740 members were over 50 years old. Based on the estimated number of eligible employees and estimated cost per test, the estimated average annual costs to local government employers to provide the required benefits could be between \$0.9 million to \$13.9 million. The impact on the local subdivisions should be reduced if the benefits are included in their current plans.

¹ CDC Publication #099-6486 and CMS Publication #11012 Revised January 2006. The publication provides estimated costs for various types of tests to screen for colorectal cancer such as Fecal Occult Blood Test (\$10 - \$25), Flexible Sigmoidoscopy (\$150 - \$300), Colonoscopy (\$800 - \$1,600), and Double Contrast Barium Enema (\$250 - \$500). The estimated costs may not include costs for all services related to the tests.