

STORAGE NAME: h0715.hp.doc
DATE: April 2, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH PROMOTION
ANALYSIS**

BILL #: HB 715
RELATING TO: Medicaid/Breast & Cervical Cancer
SPONSOR(S): Representative(s) Lerner & others
TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) HEALTH PROMOTION
 - (2) HEALTH & HUMAN SERVICES APPROPRIATIONS
 - (3) COUNCIL FOR HEALTHY COMMUNITIES
 - (4)
 - (5)
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I. SUMMARY:

HB 715 provides for the treatment of breast and cervical cancer as an optional service under the Florida Medicaid program, as authorized under the federal Breast and Cervical Cancer Treatment Act of 2000. As with all Medicaid optional services, this expansion is subject to the availability of a specific appropriation.

The bill's effective date is July 1, 2001.

The fiscal impact of the bill is being re-determined by the Agency for Health Care Administration. The Governor's Legislative Budget Request for fiscal year 2001-2002 contains \$12.9 million for Medicaid breast and cervical cancer treatment. While not included in the House of Representatives budget proposal, HB 1807, this funding is included in the Senate budget proposal. Preliminary revised estimates from the Agency for Health Care Administration bring the program's cost down to just under \$1 million.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

For any principle that received a "no" above, please explain:

In providing for a new optional service category under the Florida Medicaid program, the bill expands the current scope of the program.

B. PRESENT SITUATION:

The American Cancer Society estimates that in 2001, nearly 1,270,000 new cancer cases will be diagnosed in the United States, including 39,700 in Florida. Of these, an estimated 13,000 new cases of breast and cervical cancer will be diagnosed in Florida. Approximately 3,000 Florida women will die of these cancers despite the fact that earlier detection and treatment of these diseases could substantially decrease mortality. These deaths occur disproportionately among members of racial and ethnic minority and low-income groups, particularly African-American women.

Research indicates that regular mammography and clinical breast exams can reduce breast cancer mortality by 30 percent among women 50 years and older. Mortality due to cervical cancer is totally preventable if caught early.

Medicaid

Medicaid is a medical assistance program that pays for health care for the poor and disabled. The federal government, the state, and the counties jointly fund the program. The federal government, through law and regulations, has established extensive requirements for the Medicaid program. The Agency for Health Care Administration (AHCA) is the single state agency responsible for the Florida Medicaid program. The Department of Children and Family Services is responsible for determining Medicaid eligibility and managing Medicaid eligibility policy, with approval of any changes by AHCA.

The statutory provisions for the Medicaid program appear in ss. 409.901 through 409.9205, F.S. Section 409.903, F.S., specifies categories of individuals who are required by federal law to be covered, if determined eligible, by the Medicaid program (mandatory coverage groups). Section 409.904, F.S., specifies categories of individuals who the federal government gives state Medicaid programs the choice of covering (optional coverage groups). Section 409.905, F.S., specifies the medical and other services that the federal government requires a state Medicaid program to provide. Section 409.906, F.S., specifies the medical and other services the state may provide under the state Medicaid plan.

Medicaid is an entitlement program. Federal laws and regulations require that states make all Medicaid services available to all categorically eligible recipients regardless of diagnosis. If the Medicaid recipient is a child, however, Medicaid is required to provide additional services (which may not be available to adult Medicaid recipients and which may not include services typically covered under a state's Medicaid program) to treat an illness identified through health screening.

The Breast and Cervical Cancer Prevention and Treatment Act of 2000

The Breast and Cervical Cancer Prevention and Treatment Act of 2000 (the Act) (Public Law 106-354) amended Title XIX of the Social Security Act to allow states to serve, as an optional coverage group, uninsured women under age 65 who are identified through the Centers for Disease Control and Prevention's National Breast and Cervical Cancer Early Detection Program and are in need of treatment for breast or cervical cancer, including pre-cancerous conditions and early stage cancer. The Act allows states to claim enhanced federal funding at the Title XXI (State Children's Health Insurance Program) rate, which is 69 percent federal and 31 percent state, compared to the typical Title XIX (Medicaid) rate, which for Florida is 54 percent federal and 46 percent state. The Act also allows states to extend presumptive eligibility to applicants in order to ensure that needed treatment begins as early as possible. The Act has an effective date of October 1, 2000.

There is no income or asset limitation for Medicaid coverage under the Act. Since the optional Medicaid coverage group is limited to women who have been screened under the National Breast and Cervical Cancer Early Detection Program federal screening program, income and asset standards under that program would become those for the optional Medicaid coverage group. In addition, a woman: must be under 65 years of age; may not have other health care coverage; and may not be Medicaid-eligible under another category. States are not permitted to implement more restrictive Medicaid financial eligibility criteria for this program.

The Health Care Financing Administration has been advised by Centers for Disease Control and Prevention (CDC) that a woman will meet the eligibility criteria of having been "screened under the program" if she comes under any of the following three categories:

1. CDC Title XV funds paid for all or part of the costs of her screening services.
2. The woman is screened under a state Breast and Cervical Cancer Early Detection Program in which her particular clinical service has not been paid for by CDC Title XV funds, but the service was rendered by a provider or an entity funded at least in part by CDC Title XV funds; the service was within the scope of a grant, sub-grant, or contract under that State program; and the State CDC Title XV grantee has elected to include such screening activities by that provider as screening activities pursuant to CDC Title XV.
3. The woman is screened by any other provider and/or entity and the state CDC Title XV grantee has elected to include screening activities by that provider as screening activities pursuant to CDC Title XV. For example, if a family planning or community health center provides breast or cervical cancer screening or diagnostic services, the state would have the option of including the provider's screening activities as part of overall CDC Title XV activities.

As long as the screening was performed by a provider under the state's Breast and Cervical Cancer Early Detection Program as defined above, the woman meets the Medicaid eligibility requirement. The programs operating in states under the CDC program will be required to provide Medicaid agencies with verification that the woman was screened under the CDC program.

The Breast and Cervical Cancer Early Detection Program

Congress passed the Breast and Cervical Cancer Mortality Prevention Act in 1990. This Act established the National Breast and Cervical Cancer Early Detection Program ("screening program"), which authorizes CDC to promote breast and cervical cancer screening and to pay for screening services for eligible women. The screening program builds the infrastructure for breast and cervical cancer early detection by supporting public and provider education, quality assurance, surveillance, and evaluation activities critical to achieving maximum utilization of the program's screening, diagnostic, and case management services. Screening services provided by the program include clinical breast examinations, mammograms, pelvic examinations, and Papanicolaou (Pap) tests. Screening services also include diagnostic services, such as surgical consultation and biopsy, to ensure that all women with abnormal screening results receive timely and adequate diagnostic evaluation and treatment referrals. The law does not, however, allow CDC to pay for treatment services for women who are diagnosed with breast or cervical cancer.

In Florida, this screening program operates in 20 counties, generally through county health departments. According to the Department of Health, the program has been restricted to counties in which local resources to provide follow-up treatment are available. Since 1994, the program has screened 12,000 women for breast cancer and approximately 10,000 women for cervical cancer. The program is currently screening approximately 4,000-6,000 women per year. Approximately 1 percent of the women screened have indications of breast or cervical cancer. The department reports that CDC funds will be available to expand the screening program once Medicaid funds are available to provide care for women requiring follow-up.

Neither the Breast and Cervical Cancer Mortality Prevention Act of 1990 nor the Breast and Cervical Cancer Prevention and Treatment Act of 2000 specify income levels for participation. The Department of Health, however, applies a sliding fee scale to the screening program under which women between 100 and 200 percent of the federal poverty level pay a percentage of the cost of their screening. Women over 200 percent of the federal poverty level are eligible to be screened, but are required to pay the full fee for the screening. Department of Health staff report that the majority of women screened under the program have incomes around 150 percent of the federal poverty level. Although the sliding fee scale guidelines for the screening program are in place statewide, counties implementing the program use differing mechanisms to verify income. In some counties, income is entirely self-declared, while in others, income verification is required. There is no asset limit under the program.

Federal Poverty Level

The federal Department of Health and Human Services annually updates the federal poverty guidelines used as the basis for eligibility for a variety of federal and state programs. These data, generally referred to as the "federal poverty level," are published in the Federal Register. As published on February 16, 2001, the federal poverty level for the indicated family sizes and percentage levels of poverty for the year 2001 are as follows:

Size of Family Unit	100% of FPL	200% of FPL
1	\$8,590	\$17,180
2	\$11,610	\$23,220
3	\$14,630	\$29,260
4	\$17,650	\$35,300

C. EFFECT OF PROPOSED CHANGES:

HB 715 provides for the treatment of breast and cervical cancer as an optional service under the Florida Medicaid program, as authorized under the federal Breast and Cervical Cancer Treatment Act of 2000. As with all optional services, this expansion is subject to the availability of a specific appropriation.

The bill's effective date is July 1, 2001.

D. SECTION-BY-SECTION ANALYSIS:

See EFFECT OF PROPOSED CHANGES above.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

The Agency for Health Care Administration just revised its costs estimates relating to the proposed treatment program. The Medicaid cost of treating a woman with breast cancer is \$9,167 annually. The cost of treating a woman with cervical cancer is \$10,195 annually.

The Agency for Health Care Administration has estimated that the annual caseload for the program will be 35 individuals with cervical cancer and 70 individuals with breast cancer in the first year of the program. This estimate was based on the number of women the Department of Health has identified in prior years through its screening programs as having either of these two diseases. The agency estimates that the first-year Medicaid cost of the expanded eligibility would be \$998,515, of which \$309,540 would be the state's share.

This revised estimate is considerably less than the \$12 million plus estimate included in the Governor's Legislative Budget Request. The revised figures are also much more in line with comparable estimates of the American Cancer Society and the Congressional Budget Office, according to the agency.

Staff at the agency believe that the caseload in the program may grow in subsequent years, since providers who have historically provided uncompensated care to these women will have an incentive to refer newly-diagnosed uninsured women to screening programs in order to gain Medicaid coverage and treatment.

In addition, if the Department of Health expands screening efforts, additional Medicaid caseload would probably result.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Those low-income women in need of treatment services for breast and cervical cancer will have greatly improved chances of ready access to appropriate care.

The bill will provide funding for care that is currently being rendered by medical providers as uncompensated care.

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

The bill amends s. 409.906, F.S., which relates to the optional services that may be provided under the Florida Medicaid program. Since the Federal law requires states to provide the full range of Medicaid services to women eligible for breast and cervical cancer treatment and since the federal enactment establishes a new category of eligible individuals, the provisions of the bill should be placed in s. 409.904, F.S., which pertains to categories of individuals who may be covered under Medicaid.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

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VII. SIGNATURES:

COMMITTEE ON HEALTH PROMOTION:

Prepared by:

Staff Director:

Phil E. Williams

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