

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 519 w/CS Breast Cancer Treatment  
**SPONSOR(S):** Meadows & others  
**TIED BILLS:** None **IDEN./SIM. BILLS:** SB 1114

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| REFERENCE  | ACTION                | ANALYST         | STAFF DIRECTOR |
|--|-----------------------|-----------------|----------------|
| 1) <u>Health Access &amp; Financing (Sub)</u>        | <u>7 Y, 0 N</u>       | <u>Callaway</u> | <u>Cooper</u>  |
| 2) <u>Insurance</u>                                  | <u>19 Y, 0 N w/CS</u> | <u>Callaway</u> | <u>Cooper</u>  |
| 3) <u>Health Care</u>                                | <u></u>               | <u></u>         | <u></u>        |
| 4) <u>Commerce &amp; Local Affairs Approp. (Sub)</u> | <u></u>               | <u></u>         | <u></u>        |
| 5) <u>Appropriations</u>                             | <u></u>               | <u></u>         | <u></u>        |

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### SUMMARY ANALYSIS

Under current law, health insurance policies providing coverage for breast cancer treatment may not limit inpatient hospital coverage for a mastectomy to any period that is less than that determined by the treating physician to be medically necessary according to prevailing medical standards and after consultation with the patient. Mandatory hospitalization for lymph-node dissection is not currently prescribed by law.

This bill imposes a mandate on health insurers. The bill includes lymph-node dissection in mandatory inpatient hospital coverage for treatment of breast cancer for patients with health insurance. The bill does not require a patient to have a lymph-node dissection. The bill mandates inpatient hospital coverage for lymph-node dissections for insured patients covered by individual health insurance policies, health insurance policies written by health maintenance organizations (HMOs), group accident or health insurance, blanket accident or health insurance, and franchise accident or health insurance.

The bill requires the Office of Program Policy Analysis and Government Accountability (OPPAGA) to study issues impacting the availability of mammograms.

This bill may cause increased expenditures for health care by health insurance carriers and HMOs; however, the increased expenditure is anticipated to be nominal. Although increased health insurance costs and increased health insurance premiums will affect state government, local government, and the private sector, the amount of the increases and their impact are unknown, because there is no baseline data available setting forth the number of, length of stay for, and cost of lymph-node dissections currently covered by health insurance. The increased costs associated with the bill will also affect the Medicaid program.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

**STORAGE NAME:** h0519b.in.doc  
**DATE:** April 20, 2004

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |   |                             |   |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government?                | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |
| 4. Increase personal responsibility? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |
| 5. Empower families?                 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |

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

#### B. EFFECT OF PROPOSED CHANGES:

Under current law, health insurance policies providing coverage for breast cancer treatment may not limit inpatient hospital coverage for a mastectomy to any period that is less than that determined by the treating physician to be medically necessary according to prevailing medical standards and after consultation with the patient. The minimum length of hospital stay for lymph-node dissection is not currently prescribed by law.

This bill imposes a mandate on health insurers. Section 624.215, F.S., requires any proposal for legislation that mandates health benefit coverage must be submitted with a report to the Agency for Health Care Administration (AHCA) and the legislative committee having jurisdiction. The required report must assess the social and financial impacts of the proposed mandate. Such a report was not provided to AHCA or to the Committee on Insurance.

The bill mandates inpatient hospital coverage for lymph-node dissection for treatment of breast cancer for patients with health insurance. The length of hospitalization for lymph-node dissections is not mandated by the bill. Rather, the bill provides the hospitalization should be the period determined by the treating physician to be medically necessary in accordance with prevailing medical standards and after consultation with the patient. The bill does not require a patient to have a lymph-node dissection. The bill mandates the minimum hospitalization for lymph-node dissection for insured patients covered by individual health insurance policies, health insurance issued by health maintenance organizations (HMOs), group accident or health insurance, blanket accident or health insurance, and franchise accident or health insurance.

The bill requires the Office of Program Policy Analysis and Government Accountability (OPPAGA) to study the issue of availability of mammography services and to issue a report on its findings by February 15, 2005.

The bill names the act the “Mary B. Hooks” act, after former secretary of the Florida Department of Labor who passed away this year from breast cancer.

#### C. SECTION DIRECTORY:

Section 1: Provides a popular name, the “Mary B. Hooks Act.”

Section 2: Amends s. 627.64171, F.S.; requires health insurance policies to provide mandatory inpatient hospitalization for lymph-node dissections for treatment of breast cancer.

Section 3: Amends s. 627.66121, F.S.; requires group, blanket, or franchise accident or health insurance policies to provide mandatory inpatient hospitalization for lymph-node dissections for treatment of breast cancer.

Section 4: Amends s. 641.31, F.S.; requires HMOs to provide mandatory inpatient hospitalization for lymph-node dissections for treatment of breast cancer.

Section 5: Requires OPPAGA to perform a study on the availability of mammography services and to report its findings to the Legislature by February 15, 2005.

Section 6: Provides an effective date of July 1, 2004.

## I. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None.

#### 2. Expenditures:

The cost of health insurance for state government, to the extent that state government subsidizes health insurance premiums for employees, may increase because an HMO or group insurer providing coverage for state employees is likely to increase premiums to offset their costs associated with the mandated hospitalization for lymph-node dissections. State health insurance that is self-insured is likely to have an increase in costs due to the mandated inpatient hospitalization proposed in the bill. Although increased health insurance costs and increased health insurance premiums will affect state government, the amount of the increases and their impact are unknown, because there is no baseline data available setting forth the number of, length of stay for, and cost of lymph-node dissections currently covered by health insurance subsidized or paid for by state government.

Additionally, AHCA indicated in its bill analysis that the impact on the Medicaid program is undetermined, because the costs associated with a mandated inpatient stay for Medicaid HMO members are unknown. Although increased health insurance costs and increased health insurance premiums will affect the Medicaid program administered by AHCA, the amount of the increases and their impact are unknown, because there is no baseline data available setting forth the number of, length of stay for, and cost of lymph-node dissections currently covered by Medicaid.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

None.

#### 2. Expenditures:

The cost of health insurance for local government, to the extent that local government subsidizes health insurance premiums for employees, may increase because an HMO or group insurer providing coverage for local government employees is likely to increase premiums to offset their costs associated with the mandated hospitalization for lymph-node dissections. Local governments that are self-insured for health insurance are likely to have an increase in costs due to the mandated inpatient hospitalization proposed by the bill. Although increased health insurance costs and increased health insurance premiums will affect local government, the amount of the increases and their impact are unknown, because there is no baseline data available setting forth the number of, length of stay for, and cost of lymph-node dissections currently covered by health insurance subsidized or paid for by local government.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The costs of including inpatient hospitalization for lymph-node dissections may increase costs to insurers and HMOs. This, in turn, is likely to result in increased premiums to be paid by insureds.<sup>1</sup>

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, does not appear to reduce the authority that counties or municipalities have to raise revenue in the aggregate, and does not appear to reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None provided.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On April 13, 2004, the Subcommittee on Health Access and Financing heard the bill, adopted three amendments, and reported the bill favorably. Rep. Meadows offered a strike-everything amendment making the following changes to the bill as originally filed:

- Deleted the minimum mandatory hospitalization length of stay requirements for inpatient hospital coverage for treatment for breast cancer by lymph-node dissection and mastectomy.
- Included lymph-node dissection in mandatory inpatient hospital coverage for treatment for breast cancer for patients with health insurance.

The other amendments made the following changes:

- Named the act the "Mary B. Hooks" act.
- Required OPPAGA to perform a study on the availability of mammography services and issue a report of its findings to the Legislature by February 15, 2005.

On April 15, 2004, the Committee on Insurance heard the bill, adopted the strike-everything amendment and popular name amendment recommended by the Subcommittee on Health Access and Financing, adopted a substitute amendment for the amendment requiring OPPAGA to do a study, and reported the bill favorably. The adopted substitute amendment required OPPAGA to include additional information in their study and report due Feb. 15, 2005.

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<sup>1</sup> Bill Analysis from AHCA.