

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1306

SPONSOR: Health, Aging and Long-Term Care Committee and Senator Sanderson

SUBJECT: Medicaid Assistance for Breast and Cervical Cancer Treatment

DATE: April 10, 2001                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Liem</u>	<u>Wilson</u>	<u>HC</u>	<u>Favorable/CS</u>
2.	<u>Peters</u>	<u>Belcher</u>	<u>AHS</u>	<u>Favorable</u>
3.	_____	_____	<u>AP</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

Committee Substitute for Senate Bill 1306 authorizes the Department of Health to establish the “Mary Brogan Breast and Cervical Cancer Early Detection Program” to provide breast and cervical cancer screening, diagnosis, evaluation, treatment, case management, and follow-up and referral for low-income women and expands Medicaid coverage to include uninsured women under age 65 who are identified through the program and who are in need of treatment for breast or cervical cancer.

The bill amends s. 409.904, F.S., and creates s. 381.93, F.S.

**II. 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). Sections 409.905 and 409.906, F.S., specify 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) 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 (Public Law 106-354) amends 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 rate. 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 new program. Since the optional Medicaid 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 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.

Under current law, women with breast and cervical cancer are eligible for Medicaid only if they fall into an existing eligibility category. The principal eligibility categories for low-income women are pregnancy, and welfare-related or disability-related coverage (which is largely based on receipt of either Temporary Assistance for Needy Families or Supplemental Security Income). If a woman is found to have breast or cervical cancer, does not have health insurance, and does not qualify for Medicaid, she either pays for the treatment with her own funds, receives treatment through a state, local, or privately funded program, receives charity care, or goes without treatment.

### ***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 authorized 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, the 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.

### **III. Effect of Proposed Changes:**

**Section 1.** Creates s. 381.93, F.S., to provide legislative intent and to authorize the Department of Health to establish the “Mary Brogan Breast and Cervical Cancer Early Detection Program” to provide breast and cervical cancer screening, diagnosis, evaluation, treatment, case management and referral to the Agency for Health Care Administration for coverage of treatment services. The program is to be funded through grants for such purpose from the federal Centers for Disease Control and Prevention. The department is to limit enrollment in the program to persons with income up to and including 200% of the federal poverty level and to establish an eligibility process, which includes income verification to ensure that persons served meet income guidelines. The department is permitted to provide other breast and cervical cancer screening and diagnostic services, however, these services are to be funded separately through other sources than this act.

**Section 2.** Amends 409.904, F.S., to establish a new optional eligibility category under Medicaid consisting of women under 65 years of age who have been screened by a qualified entity under the Mary Brogan Breast and Cervical Cancer Early Detection Program; who need treatment for breast and cervical cancer; and who do not have other health care coverage. A “qualified entity” is defined as a county public health department or other entity that has contracted with the Department of Health to provide screening services paid for under this act. An asset test is not required. Women are allowed to be made presumptively eligible for Medicaid, beginning when all eligibility criteria appear to be met and ending when eligibility is determined under the state plan or by the last day of the month following the month the presumptive determination is made. A woman is eligible until she gains other health care coverage, no longer needs treatment, or attains 65 years of age. The bill requires the Department of Health to transfer general funds to the

Agency for Health Care Administrant for the required state match for the program, if the cost of the program exceeds the amount specified in the General Appropriations Act.

**Section 3.** The effective date to the bill is July 1, 2001.

**IV. Constitutional Issues:**

**A. Municipality/County Mandates Restrictions:**

The provisions of this bill have no impact on municipalities and the counties under the requirements of Art. VII, s. 18 of the Florida Constitution.

**B. Public Records/Open Meetings Issues:**

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

**C. Trust Funds Restrictions:**

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Art. III, s. 19(f) of the Florida Constitution.

**V. Economic Impact and Fiscal Note:**

**A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

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

**C. Government Sector Impact:**

The Agency for Health Care Administration originally provided estimates that the Medicaid cost of treating a woman with breast cancer in FY 2001-2002 will be approximately \$9,167. The cost of treating a woman with cervical cancer will average \$10,195. This estimate was based on all Medicaid-eligible women who had a breast or cervical cancer diagnosis.

In supplemental information provided by the Agency for Health Care Administration, the agency based estimates of the cost of the bill on costs for women with a breast or cervical cancer diagnosis who will require treatment. The agency believes that this cost will more accurately reflect actual costs the state will experience for the new eligibility group. The agency estimates that the annual cost for treatment required for women participating in the program will be \$38,407 for a woman with breast cancer and \$35,056 for a woman with cervical cancer.

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. Given this caseload the first-year cost for the program will be \$3,915,450. Since the federal government allows an enhanced match rate for these services, the General Revenue cost for the program will be \$1,194,213.

Staff at the agency indicate 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.

If the Department of Health expands screening efforts, additional Medicaid caseload would probably result.

The Senate budget for FY 2001-02 (SB 2000, First Engrossed) provides \$12,893,262 (\$3,932,445 in General Revenue and \$8,960,817 in Trust Funds) for cancer treatment for women. This estimate was based on an assumed Medicaid caseload of 59 women (54 breast cancer patients and 5 cervical cancer patients). This estimate was adopted at the March 5, 2001 Medicaid Impact Conference. Another Medicaid Impact Conference is scheduled for April 12, 2001 which will review numerous issues including the revised estimate of \$3,915,450 (\$1,194,213 General Revenue and \$2,721,237 Trust Fund) based on an annual caseload of 35 women with cervical cancer and 70 women with breast cancer. The House budget (HB 1807, First Engrossed) does not provide funding for this issue. This issue will be negotiated in the Budget Conference Committee.

**VI. Technical Deficiencies:**

Section 1 of the bill authorizes the Department of Health to establish the program using “available federal funds and state funds”. The same section requires that the program be funded through grants from the federal Centers for Disease Control and Prevention. The bill should be amended to correct this inconsistency.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.