

**SB**

**78**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 7, 2003

FURTHER REFERRALS:

Date of Committee Action: 3/17/03

The FINANCE Committee considered:

SB 78

SENATE BILL NO. 78

MEDICAID FOR BREAST & CERVICAL CANCER

"An Act relating to an optional group of persons eligible for medical assistance who require treatment for breast and cervical cancer; relating to cost sharing by those recipients under the medical assistance program; and providing for an effective date."

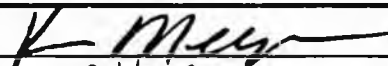
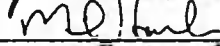




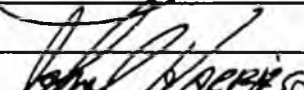

Recommends it be replaced with  HCS or  CS for \_\_\_\_\_ (\_\_\_\_\_)  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 HSS  
 LEC  
 LAW  
 LWF  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
HSS	1	✓		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Meyer	✓			
	Harker			✓	
	STOTZE			✓	
	CROFT				✓
	Chenault			✓	
	FOSTER	X			
Chair: 	Harris			✓	
Chair: 	Williams	✓			

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 41  
 Bill Version: SB78  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): Corrected 2/24/03 Dept. Affected: Health & Social Services

Title: MEDICAID FOR BREAST AND CERVICAL CANCER BRU: Medical Assistance  
 Component: Medicaid Services

Sponsor: GREEN  
 Requester: SENATE (HESO) Component No.: 2077

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	970.0	1,108.8	1,265.6	1,442.6	1,642.5	1,867.8
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>970.0</b>	<b>1,108.8</b>	<b>1,265.6</b>	<b>1,442.6</b>	<b>1,642.5</b>	<b>1,867.8</b>

CAPITAL EXPENDITURES

CHANGE IN REVENUES (0)

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts	687.5	785.8	896.9	1,022.4	1,164.0	1,323.7
1003 GF Match	282.5	323.0	368.7	420.2	478.5	544.1
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>970.0</b>	<b>1,108.8</b>	<b>1,265.6</b>	<b>1,442.6</b>	<b>1,642.5</b>	<b>1,867.8</b>

Estimate of any current year (FY2003) cost: 847.3  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 This legislation continues the optional breast and cervical cancer Medicaid eligibility category, which is due to sunset June, 30, 2003. This legislation also authorizes recipient premiums and cost-sharing to the maximum extent allowed under federal law.  
 In FY2002 Medicaid spent \$584,364 (\$403,032 Federal funds, \$181,332 general funds) to pay for the treatment costs of 22 women diagnosed with breast cancer, 9 diagnosed with cervical cancer, and 13 with pre-cancerous cervical conditions. In future years we expect expenditures to grow at a rate typical of general Medicaid expenditures, but with only a slight increase in the number of individuals taking advantage of this eligibility category. See our assumptions on the next page.

Prepared by: Kevin Henderson Phone: 465-5821  
 Division: Medical Assistance Date: Time 02/21/2003  
 Approved by: Joel S. Gilbertson, Commissioner Date: 02/24/2003  
 Agency: Department of Health and Social Services

**THE  
FOLLOWING  
DOCUMENT(S)  
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POOR  
ORIGINAL  
COPIES**

FISCAL NOTE  
FN #

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

BILL NO. SB7

ANALYSIS CONTINUATION

Assumptions used in making this fiscal note:

1. The number of women who have taken advantage of this program is lower than the numbers projected last year by the Division of Public Health. Part of the reason for the reduced number of eligibles is that Alaska Native women screened and diagnosed by the four tribal grantees are not applying for Medicaid. The number of anticipated recipients is expected to increase slightly. We assume a 5% increase in total recipients for each fiscal year.
2. To estimate future expenditures, we began by looking at the cost of services provided to women eligible under the breast and cervical cancer category in FY2002. The average cost per recipient in FY2002 was \$24.0 for breast cancer, \$4.9 for cervical cancer, and \$.8 for precancerous cervical conditions. However, the trend for FY 03 appears to be 45% higher than FY2002. The program was new in FY 2002, so we believe the FY2003 increase seen so far is due to the fact that current recipients have had time to move from needing treatment to actually being in or having received full treatment. We established a FY2003 base cost that is 45% higher than FY2002. Beginning with FY 2004 we estimate that Medicaid expenditures in this category will grow at a rate of 10% per year, similar to the national average growth for Medicaid spending.

The enhanced federal match rate used is 70.87%.

Funding for this bill is in the Division's base budget, however, the Governor's FY2004 Budget has not been finalized at this point.

**Cost-Sharing:** This legislation authorizes the department to charge recipient premiums or impose the maximum allowed cost-sharing requirements on recipients based upon household income and using a sliding fee scale. Except for the Working Disabled Medicaid Buy-In eligibility category, Federal law and regulations prohibit states from imposing a premium on "categorically needy individuals", including the breast and cervical cancer category. The department does have authority to impose "nominal" deductibles, coinsurance, or co-payments for recipients in this category. 7 AAC 43.052 already imposes the maximum allowable co-insurance payment for outpatient hospital services, the maximum \$3 co-payment for each physician visit, a \$2 co-payment for each prescription drug filled, and \$50 co-payment per day of inpatient hospitalization (up to a maximum \$200). Federal regulations allow states to require a monthly deductible amount capped at \$2 per month per family member, but prohibit states from imposing more than one type of charge at the same time. (Slight increases may be made in hospital co-payments and prescription drugs (depending upon the cost of the drug), but considering the small number of recipients the revenue would be negligible and was not estimated.) → 44

*Fauleel*

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Lauterbach  
3/4/03

Croft

AMENDMENT 1

TO: SB 78

- 1 Page 1, lines 2 - 3:
- 2 Delete "relating to cost sharing by those recipients under the medical assistance
- 3 program;"
- 4
- 5 Page 1, line 8, through page 2, line 3:
- 6 Delete all material.
- 7
- 8 Renumber the following bill sections accordingly.
- 9
- 10 Page 2, lines 22 - 28:
- 11 Delete all material.
- 12
- 13 Renumber the following bill section accordingly.

Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$ 8,860	\$11,080	\$10,200
2	11,940	14,930	13,740
3	15,020	18,780	17,280
4	18,100	22,630	20,820
5	21,180	26,480	24,360
6	24,260	30,330	27,900
7	27,340	34,180	31,440
8	30,420	38,030	34,980
For each additional person, add	3,080	3,850	3,540

250% of FAK  
 1  
 2  
 3  
 4  
 5

SOURCE: Federal Register, Vol. 67, No. 31, February 14, 2002, pp. 6931-6933.

The separate poverty guidelines for Alaska and Hawaii reflect Office of Economic Opportunity administrative practice beginning in the 1966-1970 period. Note that the poverty thresholds — the original version of the poverty measure — have never had separate figures for Alaska and Hawaii. The poverty guidelines are not defined for Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the Republic of the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, and Palau. In cases in which a Federal program using the poverty guidelines serves any of those jurisdictions, the Federal office which administers the program is responsible for deciding whether to use the contiguous-states-and-D.C. guidelines for those jurisdictions or to follow some other procedure.

The poverty guidelines apply to both aged and non-aged units. The guidelines have never had an aged/non-aged distinction; only the Census Bureau (statistical) poverty thresholds have separate figures for aged and non-aged one-person and two-person units.

Programs using the guidelines (or percentage multiples of the guidelines — for instance, 125 percent or 185 percent of the guidelines) in determining eligibility include Head Start, the Food Stamp Program, the National School Lunch Program, the Low-Income Home Energy Assistance Program, and the Children's Health Insurance Program. Note that in general, cash public assistance programs (Temporary Assistance for Needy Families and its predecessor Aid to Families with Dependent Children, and Supplemental Security Income) do NOT use the poverty guidelines in determining eligibility. The Earned Income Tax Credit program also does NOT use the poverty guidelines to determine eligibility.

The poverty guidelines (unlike the poverty thresholds) are designated by the year in which they are issued. For instance, the guidelines issued in February 2002 are designated the 2002 poverty guidelines. However, the 2002 HHS poverty guidelines only reflect price changes through calendar year 2001; accordingly, they are approximately equal to the Census Bureau poverty thresholds for calendar year 2001. (The 2001 thresholds are expected to be issued in final form in September or October 2002; a preliminary version of the 2001 thresholds is now available from the Census Bureau.)

The computations for the 2002 poverty guidelines are available.

# ALASKA STATE LEGISLATURE

*Interim:*  
600 East Railroad Avenue  
Wasilla, Alaska 99654  
(907) 376-3370  
(907) 376-3157 Fax



*Session:*  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-6600  
(907) 465-3805 Fax

**SENATOR LYDA GREEN**  
SENATE DISTRICT G

## **SPONSOR STATEMENT** **SB 78**

**“An Act relating to an optional group of persons eligible for medical assistance who require treatment for breast and cervical cancer; relating to cost sharing by those recipients under the medical assistance program; providing for an effective date.”**

Senate Bill 78, the Breast and Cervical Cancer program, removes the sunset provision of the 2001 legislation and continues treatment for women who have been participating in this program and for women who will be diagnosed in the future.

This bill gives authority to the Department of Health and Social Services to impose allowable cost sharing under federal authority for the breast and cervical cancer category. The State would then be able to work with the Federal government by submitting an amended state plan. It also provides for the implementation of a system by which these funds are collected.

I urge your support and swift passage of Senate Bill 78.

## Breast and Cervical Cancer Program

Co-Pay Amounts for the history of the program

	Number of Prescriptions	Possible Co-Pay (5)	Total Co-Pay
Prescription Drugs (1)	1,219	$\times \$2 =$	\$2,438
Physician Services (2)	2,717	$\times \$3 =$	\$8,151
Inpatient Hospitals (3)	10	$\times \$50 =$	\$500
Outpatient Hospitals (4)	\$280,890	$\times 5\% =$	\$14,045
	<b>Total Amount</b>		<b>\$25,134</b>

- (1) the amount of possible co-pay is \$2 per prescription.  
 (2) the amount of possible co-pay is \$3 per doctor's visit.  
 (3) the amount of possible co-pay is \$50 per day with a maximum of \$200 per recipient.  
 (4) the amount of possible co-pay is 5% of the claim amount.  
 (5) please note that this is not necessarily the amount of co-pay that WAS paid only the amount that SHOULD HAVE been paid. The Division of Medical Assistance has no way of determining the actual amount.  
 (6) this data represents MMIS claims paid only information and does not include any adjustments. It is for the time period of July 1, 2001 through the end of January 2002.

House Finance Committee Vote Sheet

DATE:

3/17/03

SUBJECT:

Amend #1 SB 78

MEMBER

YES

NO

HAWKER		✓
JOULE	_____	
MEYER		✓
MOSES	_____	
STOLTZE		✓
WHITAKER	_____	
CHENAULT		✓
CROFT	✓	
FOSTER	✓	
WILLIAMS	✓	
HARRIS		✓
TOTAL:	3	5

PASSED: \_\_\_\_\_

FAILED: \_\_\_\_\_

3/5

# Breast & Cervical Cancer Screening Facts

The Breast and Cervical Cancer Mortality Prevention Act of 1990, authorized the Centers for Disease Control and Prevention (CDC) to fund breast and cervical cancer screening service for low-income women. The National Breast and Cervical Cancer Early Detection Program (NBCCEDP) provides:

- Breast and cervical cancer screening services to low income or un/underinsured women.
- Diagnostic medical follow-up, case management services and assurances for medical treatment.
- Public information and education programs to increase the use of screening services.
- Education to health professionals to improve the screening process.
- Quality monitoring of the screening process.
- Surveillance and epidemiological systems.
- Linkages with key partners.

In Alaska, there are five federally funded NBCCEDP grantees:

- Alaska Dept. of Health & Social Services' Breast and Cervical Health Check (BCHC) program;
- Southcentral Foundation (SCF);
- Southeast Alaska Regional Health Corporation (SEARHC);
- Yukon Kuskokwim Health Corporation (YKHC); and
- Arctic Slope Native Association (ASNA).



Together these programs provide services to nearly 18,000 Alaskan women annually.

Breast & Cervical Health Check (BCHC) is the State of Alaska Department of Health and Social Service's breast and cervical cancer screening program. In operation since March 1995, BCHC services are now available numerous communities statewide. BCHC works closely with tribal corporation colleagues to provide a network of coverage for native and non-native women throughout the State.

BCHC has screened more than 14,000 women since 1995. Seventy cases of breast cancer, 13 cases of cervical cancer, and 446 cases of pre-cancerous cervical disease have been detected among women enrolled in BCHC.

Alaska Native women receive NBCCEDP screening services from four tribal health programs:

- Arctic Slope Native Association (ASNA)
- Southcentral Foundation (SCF)
- Southeast Alaska Regional Health Corporation (SEARHC)
- Yukon/Kuskokwim Health Corporation (YKHC)

The four tribal health programs have screened more than 17,000 women since 1995.

## The Burden of Cancer in Alaska

Breast & Cervical Cancer Occurrence (1996 - 1999)				
	1996	1997	1998	1999
Breast Cancer	265	287	326	294
Cervical Cancer	27	27	31	18

State of Alaska, Cancer Registry Data 2003

Breast & Cervical Cancer Mortality (1996 - 1999)				
	1996	1997	1998	1999
Breast Cancer	53	41	49	43
Cervical Cancer	6	4	5	6

State of Alaska, Cancer Registry Data 2003

# Breast & Cervical Cancer Treatment in Alaska

The U.S. Congress enacted the Breast & Cervical Cancer Treatment Act in 2000, with very strong bipartisan support. In response to this, the Alaska State Legislature passed legislation allowing women enrolled in CDC funded programs and diagnosed with cancer to access Medicaid funds for cancer treatment.

## Who is eligible for "Breast and Cervical" Medicaid?

To qualify for "Breast and Cervical" Medicaid, a woman must be:

- an enrolled client in one of the 5 CDC funded programs in Alaska (BCHC, SCF, SEARHC, YKHC, ASNA) prior to being diagnosed;
- diagnosed by a clinician in one of the 5 CDC programs;
- a resident of the US and have a Social Security Number;
- a resident of Alaska;
- age 18 - 64; and,
- have no creditable medical coverage

## How long will each patient's Medicaid coverage last?

Until completion of treatment is determined by the woman's private health care provider.

## What treatment services are covered?

Only clinically proven medical or surgical cancer treatments are covered. Such treatments typically include: surgery, chemotherapy or radiation therapy.

## Medicaid coverage would end when:

- a woman turns 65 (and becomes Medicare eligible);
- she is no longer a state resident;
- she obtains creditable medical coverage; or
- she is no longer eligible for services from one of the screening and diagnostic programs.

## FY02 Statistics on Treatment

- From July 2001 through June 2002, Medicaid paid treatment costs for 44 women with breast or cervical cancer, or a pre-cancerous cervical condition.
- The total cost to the State of Alaska was \$174,838.
- Federal funding paid \$411,279 of the \$586,118 total.
- The State of Alaska does not cover any costs for treatment of Alaska Native or Native American women under this special category of Medicaid. One hundred percent of IHS beneficiary treatment costs are paid for with federal dollars.

## FY03 Treatment Projections

An estimated 69 women will qualify and need breast cancer treatment in FY03. Eleven women will need treatment for cervical cancer and 102 for pre-cancerous cervical conditions.

Breast & Cervical  
Cancer