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FISCAL IMPACT REPORT

SPONSOR: Feldman DATE TYPED: 02/23/01 HB _____
 SHORT TITLE: Insurance Coverage of Cancer Clinical Trials SB 240/aSPAC/aSCORC
 ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	See Narrative				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC files
 Public Regulation Commission

No Response
 Health Policy Commission
 Attorney General's Office
 Retiree Health Care Authority
 General Services Department

SUMMARY

Synopsis of SCORC Amendment

The SCORC amendment enlarges the scope of the clinical trial that must be covered to include early detection and the prevention of reoccurrence. The amendment also adds a section stating that if a patient is denied coverage they may appeal to the Superintendent of Insurance and that appeal must be handled within thirty days. The amendment also clarifies that the health insurer does not have to pay for tests that are related to the research of the clinical trial. The rest of the amendment is technical changes.

SUBSTANTIVE ISSUE

The portion of the amendment that covers the appeal rights should track with the managed health care regulations promulgated by the Superintendent. Many of the patients who are entering clinical trials cannot wait thirty days. The managed health care regulations call for expedited reviews of 72 hours, or more rapidly if necessary.

Synopsis of SPAC Amendment

- C A health care plan will not be required to cover Phase I (the most experimental) and related expenses.
- C A health care plan will be required to cover clinical trials for reoccurring cancer.
- C The patient does not have to undergo or prove that standard cancer treatment is not effective, must merely show that no equally or more effective standard cancer treatment exists.
- C The clinical trial does not need to be conducted in New Mexico.
- C The clinical trial does not have to be conducted as part of a larger study.
- C The provider of the treatment must agree to provide written notification to the health plan when a patient enters or leaves a clinical trial.
- C Does not cover individual policies intended to supplement major medical group-type coverages such as medicare supplement, long-term care, disability income, specified disease, accident only, hospital indemnity or other limited benefit policies.
- C The Act is repealed on July 1, 2004.
- C Other technical and style changes.

There is a technical problem on page 6: strike lines 1, 2 and 3. It was replaced on the previous page in the amendment.

The amended bill does not cover specific disease policies. Does this include a cancer policy?

Synopsis of Original Bill

SB 240 requires that health care plans cover the routine patient care costs incurred while a patient is participating in phase I, II, III or IV of a cancer clinical trial.

Significant Issues.

Persons currently participating in clinical trials have medical benefits excluded because they are considered experimental and therefore they are not covered. SB 240 requires that an insurance health plan cover "routine benefits." These routine costs are a medical service or treatment that is a benefit under a health plan that would be covered if the patient were receiving standard cancer treatment.

FISCAL IMPLICATIONS

SB 240 might cause a small increase in health premiums paid by the State on behalf of the state employees, the retirees and public school employees since this would extend coverage in the health plans.

POSSIBLE QUESTIONS

Why does SB 240 only cover clinical trials for cancer? Aren't there clinical trials for other diseases?

DW/ar/njw