

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 519 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) Health Access & Financing (Sub)		Callaway	Cooper
2) Insurance			
3) Health Care			
4) Commerce & Local Affairs Approp. (Sub)			
5) Appropriations			

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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. The minimum length of hospital stay for lymph-node dissection is not currently prescribed by law.

This bill imposes a mandate on health insurers. The bill mandates a minimum length of hospital stay for patients hospitalized for a lymph-node dissection or mastectomy due to breast cancer. The minimum stay proposed by the bill for a lymph node dissection is 24 hours. The minimum stay proposed by the bill for a mastectomy is 48 hours or however long is medically necessary, whichever is longer. The bill does not require a patient to have a lymph-node dissection or mastectomy. The bill mandates the minimum hospitalization requirements 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.

This bill will likely cause increased expenditures for health care by health insurance carriers and HMOs. These entities are likely to pass on the increased health care costs to the insured in the form of increased health insurance premiums. 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 and mastectomies 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:** h0519.in.doc  
**DATE:** April 5, 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 a minimum length of hospital stay for patients hospitalized for a lymph-node dissection or mastectomy due to breast cancer. The minimum stay proposed by the bill for a lymph node dissection is 24 hours. The minimum stay proposed by the bill for a mastectomy is 48 hours or however long is medically necessary, whichever is longer. The bill does not require a patient to have a lymph-node dissection or mastectomy. The bill mandates the minimum hospitalization requirements 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.

#### C. SECTION DIRECTORY:

Section 1: Amends s. 627.64171, F.S.; requires health insurance policies to provide a minimum hospitalization length of stay for lymph-node dissections and mastectomies for treatment of breast cancer.

Section 2: Amends s. 627.66121, F.S.; requires group, blanket, or franchise accident or health insurance policies to provide a minimum hospitalization length of stay for lymph-node dissections and mastectomies for treatment of breast cancer.

Section 3: Amends s. 641.31, F.S.; requires HMOs to provide a minimum hospitalization length of stay for lymph-node dissections and mastectomies for treatment of breast cancer.

Section 4: Provides an effective date of July 1, 2004.

## II. 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 lymph-node dissection and mastectomy benefit. State health insurance that is self-insured is likely to have an increase in costs due to the mandated benefits 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 and mastectomies 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 minimum 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 and mastectomies 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 lymph-node dissection and mastectomy benefit. Local governments that are self-insured for health insurance are likely to have an increase in costs due to the mandated benefits 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 and mastectomies currently covered by health insurance subsidized or paid for by local government.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The costs of including a minimum hospital stay for lymph-node dissections and mastectomies 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>

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

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**

None.