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MAMMOGRAPHY: MANDATORY OFFER

House Bills 4076-4078 as enrolled
Second Analysis (6-21-89)

Sponsor: Rep. Maxine Berman
House Committee: Insurance
Senate Committee: Commerce & Technology

THE APPARENT PROBLEM:

Each year, according to the Michigan Department of Public Health, more than 5,000 women in Michigan are diagnosed as having breast cancer. (The figures for 1986, for example, are 5,095 women and 26 men.) Over 1,500 Michigan women die of breast cancer each year. (The 1986 figures are 1,546 women and 12 men). Despite studies showing that deaths can be reduced by 30 percent through proper screening (that is, mammography combined with a physical examination), a Michigan survey suggests that not even one-third of the women who should be screened are currently getting annual mammograms and physical examinations. And although the risk of breast cancer increases with age, state and national surveys show that the likelihood of women getting appropriate screening actually decreases in the older age groups. Health officials say that the turnout for low-cost screening programs suggests that cost is a barrier for many women. Further, officials say women are most likely to undergo screening at the recommendation of a physician, and surveys indicate that a major reason physicians do not refer women for routine screening is lack of insurance coverage. One way to encourage greater use of breast cancer screening is to increase the number of women whose health insurance coverage includes such screening.

THE CONTENT OF THE BILL:

House Bills 4076 and 4078 would require Blue Cross and Blue Shield of Michigan and commercial insurance companies to "offer or include" coverage for breast cancer diagnostic services (including screening mammography), breast cancer outpatient treatment services, and breast cancer rehabilitative services in their group and individual health insurance coverages. Under the bills, the screening mammography coverage would have to provide one screening exam to a woman at least 35 years old but under 40, and one screening exam each calendar year for a woman 40 or older. House Bill 4077 would apply the screening mammography requirement to health maintenance organizations. The coverages could not be subject to dollar limits, deductibles, and coinsurance provisions less favorable than those for physical illness generally. The mandatory offer provisions would take effect November 1, 1989.

The bills also would require coverage, if certain conditions were met, for a federally approved drug used in antineoplastic therapy and for the reasonable cost of its administration regardless of whether the specific neoplasm for which the drug was being used was the specific neoplasm for which the drug had received federal approval. The conditions would be: the drug would have to be ordered by a physician for the treatment of a specific kind of neoplasm, be used as part of an antineoplastic drug regimen, and be approved for use in antineoplastic therapy by the federal Food and Drug Administration. Further, current medical literature would have to substantiate its efficacy and recognized oncology organizations would have to generally accept the treatment. Moreover, the physician would have to have obtained consent from the patient for the treatment regimen as including FDA-approved drugs for off-label indications.

House Bill 4076 would amend the Nonprofit Health Care Corporation Reform Act (MCL 550.1416), which regulates Blue Cross and Blue Shield of Michigan. House Bill 4077 would amend the Public Health Code (MCL 333.21054a) to apply to health maintenance organizations (HMOs). House Bill 4078 would amend the Insurance Code (MCL 500.3406d and 3616) to apply to the hospital, medical, or surgical expense incurred policies of commercial health insurance companies.

FISCAL IMPLICATIONS:

The Department of Licensing and Regulation says the bills have no revenue or budgetary implications for the state. (4-4-89)

ARGUMENTS:

For:

The bills aim at increasing the number of women whose health insurance includes coverage for routine breast cancer screening, as well as breast cancer treatment and rehabilitation. According to public health officials, several major studies have demonstrated that a 30 percent reduction in deaths due to breast cancer can be achieved through screening procedures that combine physical examinations and mammograms, and survival may approach 100 percent when breast cancers are detected before they reach one centimeter in size. Mammography is capable of detecting such cancers, yet a 1987 Michigan survey showed that less than one third of the women in the appropriate age groups followed the American Cancer Society (ACS) and National Cancer Institute guidelines for breast cancer screening. Many physicians do not recommend routine screening (for asymptomatic patients, those not in a high risk group) if it is not covered by insurance, according to cancer specialists, and insurers usually do not cover preventive care exams, such as screening, even when they are cost-effective. If more women have insurance coverage for screening (and any necessary treatment and rehabilitation services), more women will undergo screening. There will be more early detection and treatment, and lives will be saved.

Breast cancer is the leading cause of cancer death among Michigan women, and the American Cancer Society estimates that one in ten women will develop breast cancer at some point in their lives. African American women have a higher death rate from breast cancer than white women, even though the disease occurs more frequently in white women. African American women tend to have their cancers discovered at later stages than white women, and

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have lower survival rates than white women of the same age and stage of diagnosis.

Breast cancer imposes enormous costs to individuals, their families, and the state, both in terms of suffering and in terms of economic loss. If each of the 1,500 Michigan women who die of breast cancer each year reached their full life expectancy, more than 29,000 years of potential life and nearly $147,000 in future earnings would be saved every year.

Against:

Wouldn't it be preferable to require insurers to provide breast cancer coverages rather than just to offer the coverages to customers? Mandated coverages are usually less expensive to customers because their cost is spread across all insureds rather than across those who select the coverage. Many people are convinced that coverage of breast cancer screening will be cost-effective, by making more expensive, more drastic, late interventions less likely. In other words, insurance companies should save money by covering routine breast cancer screening.

Response: The insurance industry generally resists mandatory coverage proposals, which increase the cost of coverage to everyone. Sometimes small increases in insurance costs can be the difference between being able to afford some insurance or none. Some people, regrettably, must choose lower-cost, less comprehensive insurance coverage, and the industry argues that mandated coverages will eliminate that option.

Against:

The Insurance Bureau has said that it may be inappropriate to specify in statute the number of screenings an insurance policy or contract should cover since these recommendations are subject to change as knowledge changes. Further, there is the danger that fewer policies will be available if insurers are required to offer diagnostic and rehabilitative services on an outpatient basis since basic benefit coverage would not normally provide for outpatient services of this kind.

For:

The bills also contain a provision that would require insurance coverage for certain drugs used in treatments of cancer that are not always covered now. (The provision does not apply only to breast cancer treatment but to any antineoplastic therapy.) Sometimes coverage is not provided for a drug administered along with a cancer-killing agent for the purpose of counteracting side effects from treatment, or for a drug that has FDA approval for treatment against one kind of cancer when it is used to treat another kind based on published research of its effectiveness. The bills would require these drugs to be covered under certain conditions; for example, when ordered by a physician for use as part of an antineoplastic drug regimen with the informed consent of the patient.