SUBJECT: Coverage of diagnostic tests for colorectal cancer under certain health plans

COMMITTEE: Insurance — favorable, without amendment

VOTE: 8 ayes — Smithee, Eiland, Averitt, Burnam, G. Lewis, J. Moreno, Olivo, Thompson

0 nays

1 absent — Seaman

SENATE VOTE: On final passage, May 1 — 26-4 (Harris, Jackson, Ogden, Wentworth)

WITNESSES: No public testimony

DIGEST: SB 1467 would amend the Insurance Code to require certain health benefit plans that provided benefits for diagnostic medical procedures to provide coverage for each person enrolled in the plan who was 50 years of age or older for expenses incurred in conducting a medically recognized diagnostic exam for the detection of colorectal cancer. Minimum benefits allowed would include an annual fecal occult blood test, a flexible sigmoidoscopy with hemoccult of the stool every five years, and a colonoscopy every 10 years. A health benefit plan would have to notify in writing each person enrolled in the plan regarding the required coverage. This notice would have to be provided in accordance with rules adopted by the insurance commissioner, who would be granted authority to adopt those rules and any others necessary to administer this legislation.

SB 1467 would not apply to a plan that provided coverage for the following:

- only for a specified disease or other limited benefit;
- only for accidental death or dismemberment;
- for wages or payments in lieu of wages for a period during which an employee was absent from work because of sickness or injury;
- as a supplement to liability insurance; or
- only for indemnity for hospital confinement.

The bill also would not apply to a plan written under Insurance Code, ch. 26, relating to health insurance plans for small and large employers, Medicare supplemental policies, workers' compensation insurance coverage, medical payment insurance issued as part of a motor vehicle insurance policy, or a long-term care policy, including a nursing home fixed-indemnity policy, unless the commissioner determined a plan to be an exception.

The bill would take effect September 1, 2001, and would apply only to a health benefit plan that was delivered, issued for delivery, or renewed on or after January 1, 2002.

SUPPORTERS SAY:

SB 1467 is needed to ensure that people over 50 years old could receive colorectal cancer screenings. Cancer of the colon and rectum is the second leading cause of cancer-related deaths in the United States for both men and women. Colorectal cancer results in more deaths than breast and prostate cancer.

Because insurance companies may not cover screening unless a person is at high risk and because many people are embarrassed to discuss the disease, they put off screening tests until they have symptoms. By that point, it may be too late to treat the disease effectively.

Most cases of colon cancer begin as non-cancerous polyps. At this stage, most people do not experience any symptoms of the disease, which increases the need for routine testing. Early testing can lead to prevention of the disease. When discovered early, colorectal cancer is up to 90 percent curable.

SB 1467 would allow patients who have average risk of colorectal cancer to receive proper screening. Experts estimate that approximately 30,000 lives could be save annually through broader colorectal cancer screening. The federal Health Care Financing Administration already has recognized the need for adequate screening; beginning July 1, 2001, it will offer Medicare patients at average risk colon cancer screening.

This bill would not lead to premium increases but ultimately would save insurers and employers money. With the high success rate of colorectal cancer screenings, it would be much cheaper for health benefit plans to pay

for these tests than to reimburse the cost of surgery, chemotherapy, radiation, and other treatments associated with colorectal cancer.

OPPONENTS SAY:

This bill would create another mandated health benefit. Texas leads the country with 63 mandates in statute. While the proposed bill is well intended, the Legislature should consider the costs it would impose on employers who voluntarily purchased health insurance for their employees. Additional costs from mandates directly affect employers who have experienced double-digit increases in the cost of health care coverage.

The proposed screening requirements in SB 1467 are so broad that they inevitably would increase premiums. If enacted, this new requirement, along with other health mandates approved this session, could force employers to drop health coverage entirely because of affordability problems. This legislation, while promoting cancer prevention, could result in many Texans going from having some health coverage to having none.

OTHER OPPONENTS SAY:

SB 1467 as written contains substantive and technical problems that would result in many people not receiving the intended colorectal cancer screenings. By exempting small and large employer health plans from the coverage requirements, the bill would exclude an enormous segment of the state's population who were insured through private employer plans. Also, the bill would not apply to Lloyds' plans, which are not subject to insurance laws unless specifically mentioned in statute. As written, the bill would apply to self-funded federal ERISA plans, and as such, the state requirement would be preempted by federal law.

Language that restricts required coverage to certain "diagnostic" tests could be construed too narrowly. Some insurers might try to limit benefits for these tests only to persons who demonstrated symptoms of colon or rectal cancer. The bill would offer better protection if the term "diagnostic," in this context, were changed to "screening."

NOTES:

The sponsor plans to offer a floor amendment to include large employer health benefit plans. The floor amendment also would include a specific reference to coverage for Lloyds plans and would exclude current provisions of the bill that possibly could conflict with ERISA plans.

Also, the proposed floor amendment would change the term “diagnostic” to “screening” and would change the benefits to include an annual fecal occult blood test, a flexible sigmoidoscopy every five years, *or* a colonoscopy every 10 years in order to conform with recommended medical standards. The current version of the bill would require all three of those specified benefits.