

SUBJECT: Insurance premium assistance for hemophilia medical treatment

COMMITTEE: Insurance — committee substitute recommended

VOTE: 9 ayes — Frullo, Muñoz, G. Bonnen, Guerra, Meyer, Paul, Sheets, Vo, Workman
0 nays

WITNESSES: For — Brendan Hayes, Texas Bleeding Disorders Coalition; (*Registered, but did not testify*: Shelley Clawson; Rachel Neyland)
Against — None
On — (*Registered, but did not testify*: Carol Labaj, Department of State Health Services; Jan Graber, Texas Department of Insurance)

BACKGROUND: Hemophilia is a rare blood disorder, usually inherited, in which the blood does not clot properly. Health and Safety Code, ch. 41 establishes the Hemophilia Assistance Program within the Department of State Health Services (DSHS) to provide financial assistance to individuals unable to pay the entire cost of their treatment.
To be eligible, a person must be at least 18 years old and have an income level at or below 200 percent of the federal poverty guidelines. The House-passed budget bill includes \$323,477 in each year of fiscal 2016-17 for hemophilia services.

DIGEST: CSHB 1038 would authorize DSHS to provide insurance premium payment assistance to eligible persons with hemophilia. The premium payments would be in addition to an existing DSHS program that provides financial assistance for eligible persons to obtain blood, blood derivatives and concentrates, and other substances for use in medical or dental facilities or in the home.

This bill would take immediate effect if finally passed by a two-thirds

record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

SUPPORTERS
SAY:

CSHB 1038 could allow DSHS to help more individuals with costly hemophilia treatments pay for insurance premiums with the existing funds that historically have paid for blood factor replacement products. The bill would not seek additional funding, but would be a cost-effective use of existing funds to provide better health care to more people needing treatment for hemophilia. Having insurance coverage could help these individuals adhere to treatment plans and lessen their risk of suffering permanent damage that could result in their being placed on disability and unable to work.

Individuals affected by hemophilia have an increased risk for brain trauma, serious bruising, internal bleeding, and even death. Treatment is done by infusing commercially prepared blood factor concentrates. Treatment can be as expensive as \$300,000 per year for severely affected patients.

Currently, only four individuals are participating in the Hemophilia Assistance Program. One reason for the low participation may be the program's \$25,000-per-person cap on annual benefits. Individuals may decide not to apply if the program is only going to help with one or two months of treatment. Additionally, the program recently lowered its age requirement from 21 to 18. This change is expected to increase participation in the program.

If the program were used to help people pay insurance premiums rather than for the treatments themselves, it could serve up to 27 people, some of whom may not qualify for subsidies to purchase insurance under the federal Affordable Care Act.

The statutorily created Texas Bleeding Disorders Advisory Council has recommended that the program be allowed to pay for insurance premiums to give individuals access to comprehensive health insurance coverage and provide blood factor replacement products year-round while decreasing

the individual's cost to the Hemophilia Assistance Program. As an added benefit, the council said in a report to the 83rd Legislature, individuals with full insurance coverage could lessen the financial impact of uncompensated care on hospital emergency departments.

**OPPONENTS
SAY:**

It is unclear whether there is a need for an expansion of the Hemophilia Assistance Program. The program did not spend all of its appropriated funds during fiscal 2012-13 and currently serves only four people. The low level of participation could be an indication that most low-income individuals with hemophilia do not need the program because they already have obtained health insurance coverage.