

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 785 Coverage for Skin Cancer Screenings

SPONSOR(S): Payne and others

TIED BILLS: IDEN./SIM. **BILLS:** SB 142

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Healthcare Regulation Subcommittee		Poche	McElroy
2) Appropriations Committee			
3) Health & Human Services Committee			

SUMMARY ANALYSIS

Skin cancer is the most common cancer in the United States. Approximately one in five Americans will develop skin cancer in their lifetime. It is estimated that approximately 9,500 people in the U.S. are diagnosed with skin cancer every day. Nearly 20 Americans die from melanoma every day.

Nearly 90 percent of skin cancers are preventable and, if detected early, are highly curable.

HB 785 requires all individual health insurers; all group, blanket, and franchise health insurers; and all health maintenance organizations (HMOs) to cover and pay for annual skin cancer screenings performed by a Florida licensed dermatologist. The provider conducting the screening must be licensed as a medical doctor under chapter 458, F.S., or an osteopathic physician licensed under chapter 459, F.S. The bill prohibits an insurer or HMO from imposing any cost-sharing requirement for the annual skin cancer screening, including a deductible, copayment, coinsurance, or any other type of cost-sharing.

The bill has an indeterminate, significant negative fiscal impact on state government.

The bill provides an effective date of July 1, 2023.

FULL ANALYSIS

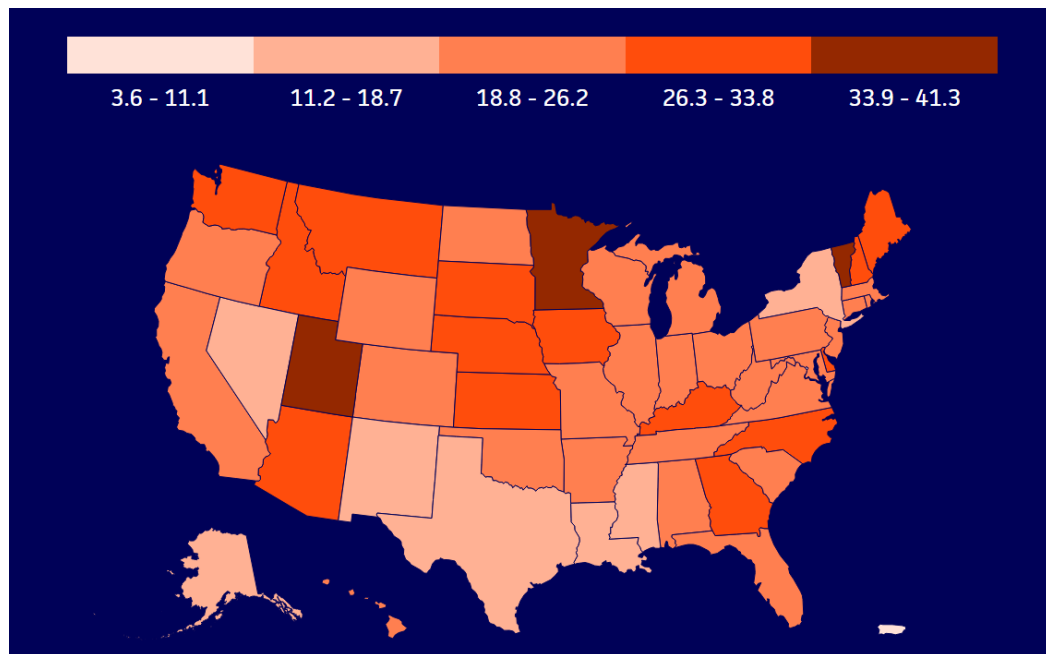
I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Skin cancer is the most common cancer in the United States.¹ Approximately one in five Americans will develop skin cancer in their lifetime.² It is estimated that approximately 9,500 people in the U.S. are diagnosed with skin cancer every day.³ Nearly 20 Americans die from melanoma every day.⁴

Basal cell and squamous cell cancers are called nonmelanoma skin cancer, and are the most common of skin cancers. Melanoma accounts for about 1 percent of skin cancers but causes a large majority of skin cancer deaths.⁵ Approximately 97,610 Americans are expected to be diagnosed with melanoma in 2022;⁶ 7,650 people are expected to die from it in same year – 5,080 men and 2,570 women.⁷ The following graph shows the incidence rate of melanoma, by state, for 2015 to 2019:⁸



The next graph illustrates death rates in the U.S. from melanoma from 2016 to 2020:⁹

¹ Guy GP, Thomas CC, et al., *Vital signs: Melanoma incidence and mortality trends and projections – United States, 1982-2030*, MMWR Morb Mortal Wkly Rep. 2015;64(21):591-596.

² Sterns RS, *Prevalence of a history of skin cancer in 2007: results of an incidence-based model*, Arch Dermatol. 2010 Mar.;146(3):279-282.

³ Rogers HW, Weinstock MA, et al., *Incidence estimate of nonmelanoma skin cancer (keratinocyte carcinomas) in the US population*, JAMA Dermatol, April 30, 2015, available at <https://pubmed.ncbi.nlm.nih.gov/25928283/>.

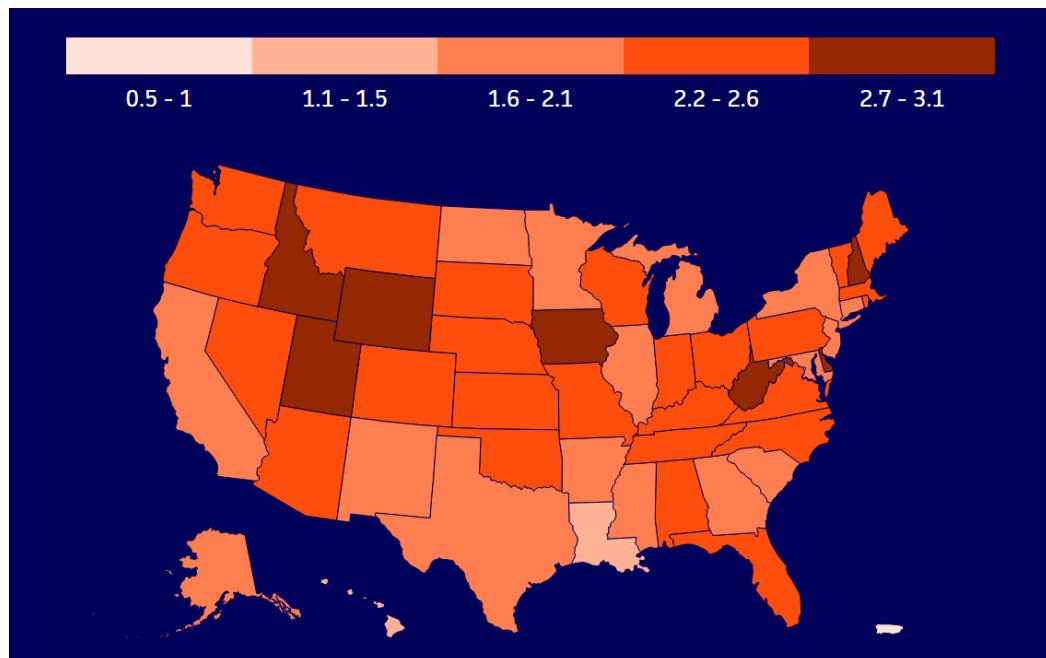
⁴ Florida Academy of Dermatology, *Coverage for Skin Cancer Screenings*, March 2023 (Report submitted pursuant to s. 624.215, F.S.).

⁵ American Cancer Society, *Key Statistics for Melanoma Skin Cancer*, available at <https://www.cancer.org/melanoma-skin-cancer/about/key-statistics.html> (last viewed on March 26, 2023).

⁶ Id.
⁷ American Cancer Society, *Skin Cancer Facts & Figures In Brief*, available at <https://www.cancer.org/research/acs-research-highlights/skin-cancer-research-highlights.html> (last viewed on March 26, 2023).

⁸ American Cancer Society, Cancer Statistics Center, *Incidence rates, 2015-2019, Melanoma of the skin, by state*, available at https://cancerstatisticscenter.cancer.org/?_ga=2.170121507.2052514337.1679876634-1485434178.1679876634#/cancer-site/Melanoma%20of%20the%20skin (last viewed on March 26, 2023).

⁹ Id.



Due to the relationship between skin cancer and UV exposure, Florida has the highest diagnosed skin cancer prevalence rate in the U.S., at 7.1 percent.¹⁰ Of the top five cities in the U.S. for skin cancer prevalence rate, four are in Florida – Sarasota-Bradenton (10 percent), Fort Pierce-Port St. Lucie (9.5 percent), West Palm Beach-Boca Raton (9.5 percent), and Melbourne-Titusville-Palm Bay (8.6 percent).¹¹ Florida has the second highest absolute number of malignant melanoma cases in the country behind only California.¹² It is estimated that 9,640 new cases of melanoma of the skin will be diagnosed in 2023 in Florida.¹³

Nearly 90 percent of skin cancers are preventable and, if detected early, are highly curable.¹⁴

Legislative Proposals for Mandated Health Benefit Coverage

Any person or organization proposing legislation which would mandate health coverage or the offering of health coverage by an insurance carrier, health care service contractor, or health maintenance organization (HMO) as a component of individual or group policies, must submit to AHCA and the legislative committees having jurisdiction a report which assesses the social and financial impacts of the proposed coverage.¹⁵ Guidelines for assessing the impact of a proposed mandated or mandatorily offered health coverage, to the extent that information is available, must include:

- To what extent is the treatment or service generally used by a significant portion of the population.
- To what extent is the insurance coverage generally available.
- If the insurance coverage is not generally available, to what extent does the lack of coverage result in persons avoiding necessary health care treatment.
- If the coverage is not generally available, to what extent does the lack of coverage result in unreasonable financial hardship.
- The level of public demand for the treatment or service.
- The level of public demand for insurance coverage of the treatment or service.

¹⁰ Supra, FN 4.

¹¹ Id.

¹² Miami Herald, *Florida has second-highest rate of deadly skin cancer*, May 21, 2019, available at <https://www.miamiherald.com/latest-news/article230271804.html>.

¹³ Siegel R, Miller K, et al., *Cancer statistics, 2023*, CA Cancer J Clin. 2023;73:17-48, available at <https://pubmed.ncbi.nlm.nih.gov/36633525> (last viewed on March 26, 2023).

¹⁴ Florida Academy of Dermatology, *Skin Cancer–Quick Facts About Skin Cancer*, available at https://www.faderm.org/patients_skincancer.php (last viewed on March 26, 2023).

¹⁵ S. 624.215(2), F.S.

- The level of interest of collective bargaining agents in negotiating for the inclusion of this coverage in group contracts.
- To what extent will the coverage increase or decrease the cost of the treatment or service.
- To what extent will the coverage increase the appropriate uses of the treatment or service.
- To what extent will the mandated treatment or service be a substitute for a more expensive treatment or service.
- To what extent will the coverage increase or decrease the administrative expenses of insurance companies and the premium and administrative expenses of policyholders.
- The impact of this coverage on the total cost of health care.¹⁶

Proponents of the bill submitted a report to the Healthcare Regulation Subcommittee on March 7, 2023, to comply with s. 624.215, F.S.¹⁷ The report addresses most of the guidelines for assessing the impact of the proposed annual skin cancer screening mandated benefit, at no cost to the insured.

Effect of the Bill

HB 785 requires all individual health insurers; all group, blanket, and franchise health insurers; and all health maintenance organizations (HMOs) to cover and pay for annual skin cancer screenings performed by a Florida licensed dermatologist. The provider conducting the screening must be licensed as a medical doctor under chapter 458, F.S., or an osteopathic physician licensed under chapter 459, F.S. The bill prohibits an insurer or HMO from imposing any cost-sharing requirement for the annual skin cancer screening, including a deductible, copayment, coinsurance, or any other type of cost-sharing.

The bill requires payment for such annual skin cancer screenings to be consistent with the insurer's or HMO's for other preventive screenings as defined by the Current Procedural Terminology code set of the American Medical Association. Lastly, the bill prohibits insurers and HMOs from bundling a payment for skin cancer screenings with any other procedure or service performed during the same or a subsequent office visit as the screening.

A health insurance benefit required by state action on or after January 1, 2012, is considered an addition to the essential health benefits established by the state's benchmark plan. Under federal rule, the state must make payments to an insured or health insurer, including HMOs, to defray the cost of the additional required benefit. Each health insurer must quantify the cost attributable to the additional required benefit and report the cost to the state. The bill requires health insurers and HMOs to cover annual skin cancer screenings at no cost to the insured. As a result, the state of Florida will be responsible for paying insureds and insurers who are subject to the mandate to defray the increased premium costs. Because the cost calculations have not been completed by the insurers and HMOs, the fiscal impact is unknown, although likely to be negative and significant. There is no fiscal impact to local government.

The bill provides an effective date of July 1, 2023.

B. SECTION DIRECTORY:

Section 1: Creates s. 627.64198, F.S., relating to coverage for skin cancer screenings; required coverage and payment.

Section 2: Creates s. 627.66912, F.S., relating to coverage for skin cancer screenings; required coverage and payment.

Section 3: Creates s. 641.31091, F.S., relating to coverage for skin cancer screenings; required coverage and payment.

Section 4: Provides an effective date of July 1, 2023.

¹⁶ S. 624.215(2)(a)-(l), F.S.

¹⁷ Supra, FN 4.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Under the Patient Protection and Affordable Care Act, a benefit required by state action on or after January 1, 2012, is considered an addition to the essential health benefits established by the state's benchmark plan. Under federal rule, the state must make payments to an insured or health insurer, including HMOs, to defray the cost of the additional required benefit.¹⁸ Each health insurer must quantify the cost attributable to the additional required benefit and report the cost to the state.¹⁹ The bill requires health insurers and HMOs to cover annual skin cancer screenings at no cost to the insured. As a result, the state of Florida will be responsible for paying insureds and insurers who are subject to the mandate to defray the increased premium costs. Because the cost calculations have not been completed by the insurers and HMO, the fiscal impact is unknown, although likely to be negative and significant.

OIR will need to amend its form review checklists and procedures to incorporate the new coverage mandate for annual skin cancer screenings with no cost-sharing requirements. The changes can be absorbed by existing resources.

The Medicaid program covers skin cancer screenings, allowing for up to two office visits per month, per specialty, for Medicaid recipients aged 21 and older.²⁰ For children up to age 21, Medicaid allows skin cancer screenings as medically necessary. According to AHCA, there have been less than 100 claims for skin cancer screenings per year.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None. To the extent local government maintains individual health insurance; group, blanket, or franchise health insurance, or an HMO contract for its employees, any increase in premium due to mandated annual skin cancer screenings at no cost to the insured should be paid by the state.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Individuals and groups with individual health insurance policies; group, blanket, or franchise health insurance policies; or HMO contracts will likely see an increase in premium due to the new mandated coverage, depending on plan selection and any subsidies. However, under federal rule, the state will be responsible for defraying the cost on mandated annual skin cancer screenings at no cost to the insured.

¹⁸ 45 CFR s. 155.170.

¹⁹ 45 CFR s. 155.170(c)(1) and (2).

²⁰ Email from Patrick Steele, Legislative Affairs Director, Agency for Health Care Administration, to Healthcare Regulation Subcommittee staff, March 24, 2023; Rule 59G-4.087, F.A.C., *Evaluation and Management Services Coverage Policy*.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or act requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES