

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4093
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 27, 2023

SUMMARY

Synopsis: Requires health insurers, SHBP, and SEHBP to cover mammograms for women over 35 and women under 35 under certain circumstances.

Type of Impact: Potential expenditure increase to the State General Fund; potential expenditure increase to local governments.

Agencies Affected: Division of Pensions and Benefits, Department of the Treasury; certain local governments.

Office of Legislative Services Estimate

Fiscal Impact	FY 2024	<u>FY 2025</u>	FY 2026
SHBP-State Cost	\$952,578	\$1 million	\$1.1 million
SHBP-Local Cost	\$538,085	\$570,370	\$604,592
SEHBP Cost	\$691,634	\$733,132	\$777,120
Total Cost	\$2.2 million	\$2.3 million	\$2.5 million

- The Office of Legislative Services (OLS) estimates that this bill will increase costs to the State Health Benefits Program by \$1.5 million and costs to the School Employees’ Health Benefits Program by \$691,634 in the first year that the bill takes effect.
- Data from the Civil Service Commission’s State Government 2022 Workforce Profile suggests that 11.9 percent of the State workforce is age 35 to age 39 and 55.5 percent of the population is female. These demographic assumptions are used in combination with the enrollment data from the relevant mid-year rate renewal report to estimate the number of women who would become eligible for annual breast cancer screening.
- Current law requires the State Health Benefits Commission and the School Employees’ Health Benefits Commission to base reimbursement and payments on reasonable and customary charges, based upon the 90th percentile of the usual, customary, and reasonable fee schedule determined by the Health Insurance Association of America. For 2023, in-network mammograms cost \$170 at the 90th percentile of the Fair Health Index.
- If the assumptions underlying the estimate change, the conclusions may change.

BILL DESCRIPTION

This bill requires health insurers, including the State Health Benefits Program and the School Employees' Health Benefits Program, to provide health benefits coverage for expenses incurred in conducting an annual mammogram for women 35 years of age and older as well as women under 35 years of age with a family history of breast cancer or other breast cancer risk factors. Current law requires health insurers, including the State Health Benefits Program, to provide coverage for annual mammograms to women 40 years of age and older and women under 40 years of age with a family history of breast cancer or other breast cancer risk factors. The School Employees' Health Benefits Program provides coverage for annual mammograms that complies with current law.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will increase costs to the State Health Benefits Program for State and local employees by \$1.5 million and costs to the School Employees' Health Benefits Program by \$691,634 in the first year that the bill takes effect.

Data from the Civil Service Commission's State Government 2022 Workforce Profile reports that 11.9 percent of the State workforce is age 35 to age 39 and 55.5 percent of the population is female. If these demographic assumptions are combined with information from the Mid-Year Experience Analysis reports for Plan Year 2022, the OLS concludes that 5,603 additional women covered by the State portion of the State Health Benefits Program and 7,233 additional women covered by the local portion of the State Health Benefits Program and the School Employees' Health Benefits Program will become eligible for annual mammogram screenings.

Current law requires the State Health Benefits Commission and the School Employees' Health Benefits Commission to base reimbursement and payments on reasonable and customary charges, based upon the 90th percentile of the usual, customary, and reasonable fee schedule determined by the Health Insurance Association of America. For 2023, in-network mammograms cost \$170 at the 90th percentile of the Fair Health Index. The analysis assumes a medical inflation rate of 6 percent. If the assumptions underlying the estimate change, the conclusions may change.

Section: State Government

Analyst: Anna Harris
Assistant Fiscal Analyst

Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).