

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5034

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: JULY 2, 2021

SUMMARY

- Synopsis:** Reduces age at which health benefit plans cover colorectal cancer screenings from 50 to 45.
- Type of Impact:** Increase in State General Fund and local government expenditures.
- Agencies Affected:** Division of Pensions and Benefits, Department of the Treasury; local government entities.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	Increase in SHBP-State expenditures for colorectal cancer for anyone commencing at 45 years of age, not just those medically necessary.		
Local Cost	Increase in SHBP-local and SEHBP expenditures for colorectal cancer screenings for anyone commencing at 45 years of age, not just those medically necessary.		

- The Office of Legislative Services (OLS) notes that in accordance with the New Jersey Colorectal Cancer Screening law, Horizon’s published medical policy guiding coverage for the State Health Benefits Program (SHBP) and the School Employees’ Health Benefits Program (SEHBP) provides 100 percent coverage for colorectal cancer screening for persons who are 50 years of age and older and for persons of any age with a letter of medical necessity from their doctor.
- The bill will increase costs to the SHBP and the SEHBP by the number of plan participants between 45 and 49 years of age who will be newly eligible for regular colorectal cancer screenings commencing at 45 years of age.

- Without information from Horizon, through the Administration, regarding the employer cost for these procedures and the number of plan participants who would become eligible for colorectal cancer screenings, a numerical estimate of the cost cannot be calculated.

BILL DESCRIPTION

This bill reduces the age in which health benefit plans are required to cover regular colorectal cancer screenings from 50 to 45.

The New Jersey Colorectal Cancer Screening law (P.L. 2001, c.295) requires that benefits under affected contracts must be provided for colorectal cancer screening at regular intervals for persons age 50 and over, and for persons of any age who are considered to be at a higher risk for colorectal cancer and for whom the procedure is determined to be medically necessary by the covered person's doctor. The method and frequency is required to follow the most recently published guidelines of the American Cancer Society.

The American Cancer Society recommends, if it is determined to be medically necessary, that regular colorectal cancer screening should start at age 45 years in individuals with an average risk of colorectal cancer and that people who are at a high risk of colorectal cancer may need to start colorectal cancer screening before 45 years of age, be screened more often, and get specific tests.

Under this bill, the age at which a regular colorectal cancer screening will be covered by health benefit plans is lowered from 50 years of age to 45 years of age. Additionally, the bill requires that contracts purchased by the State Health Benefits Commission and School Employees' Health Benefits Commission are to include coverage for colorectal cancer screenings commencing at 45 years of age and for persons of any age with a letter of medical necessity from their doctor. The bill's provisions apply only to future policies and contracts.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

Horizon's published medical policy guiding coverage for the SHBP and the SEHBP provides 100 percent coverage for colorectal cancer screening for persons who are 50 years of age and older and for persons of any age with a letter of medical necessity from their doctor.

This bill will expand the coverage for regular colorectal cancer screenings that are not deemed medically necessary to persons who are at least 45 years of age. The increase in costs to the SHBP and the SEHBP will depend on the number of plan participants between 45 and 49 years of age who will be newly eligible for regular colorectal cancer screenings, the type of colorectal cancer screening to be performed, and the cost of the screenings. The average cost of all types of colorectal cancer screenings depends on the procedures to be performed and their costs. These costs can vary depending on whether the procedure is performed in-network or out-of-network, in an inpatient setting or an outpatient setting, geographic location, medical equipment and supplies, and pre-procedure care and post procedure follow-up care. Without information from Horizon, through the Administration, regarding the employer cost for these procedures and the number of

plan participants who would become eligible for colorectal cancer screenings commencing at age 45, a numerical estimate of the cost of this bill cannot be calculated. In addition, no information regarding the total cost of colorectal cancer screening costs and the ratio of total colorectal cancer screening costs to total medical expenditures in prior years was available either.

Section: State Government

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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.).