

Fiscal Services Division
Legislative Services Agency
Fiscal Note

SF 514 - Human Papilloma Virus Vaccine Insurance (LSB 2148 H-1635)
Analyst: Sam Leto (Phone: (515) 281-6764) (sam.letto@legis.state.ia.us)
Fiscal Note Version – Bill with Proposed Committee Amendment H-1635
Requested by Representative Phil Wise

Description

Senate File 514 with Proposed Committee Amendment H-1635 would require insurers offering individual or group insurance contracts, policies, or plans in Iowa to provide coverage for vaccinations for the human papilloma virus, certain enternal formulas, including for phenylketonuria (PKU), and audiological services and hearing aids for children. The Bill with Proposed Amendment H -1635 creates new sections in Chapter 514.C, Code of Iowa, and describes each of the new coverage areas, including the age groups to be covered. The third-party payment provider contracts, policies, or plans delivered, continued, or renewed in Iowa must include these coverage areas on or after January 1, 2008. The Insurance Division Commissioner is to adopt rules to administer the provisions of the Bill with Proposed Amendment H-1635.

Assumptions

- The costs of vaccinations for the human papilloma virus are currently covered by the vast majority of third-party insurance carriers.
- Third-party insurance carriers cannot exclude or restrict benefits for enternal formulas prescribed by a licensed practitioner with a written order and where deemed medically necessary.
- An estimated 37 out of 125 Iowans affected by PKU would be helped by this Bill with Proposed Committee Amendment H-1635.
- The average annual cost for an individual with PKU is \$5,000 for food and \$3,750 for formula.
- There are currently 924 children in Iowa between the ages of 0 and 21 who are deaf or hard of hearing. An estimated 231 of these children would receive benefits from this Bill with Proposed Committee Amendment H-1635.
- Of the total births in Iowa for Calendar Year 2006, an estimated 62 were identified as deaf.
- Most children require new hearing aids every two to five years. Infants and toddlers would require new hearing devices every three to six months.
- Costs for hearing devices range from \$60 for earmolds for infants and toddlers to an average of \$1,000 for simple digital devices. Individual hearing aids could cost as much as \$5,000 each. For purposes of these estimates, the average cost of simple digital devices was used.

Fiscal Impact

Senate File 514 with Proposed Committee Amendment H-1635 is estimated to increase costs to insurers by \$571,500 in FY 2008. This includes:

- Total costs to cover medical food and medical/enternal formula for 37 individuals with PKU are an estimated \$333,000 (\$185,000 for formula and \$148,000 for food).

- Total costs for hearing devices are an estimated \$238,500 (\$231,000 for current children and \$7,500 for newborns). These estimates are based on use of earmolds and simple digital devices.

The impact of SF 514 with Proposed Committee Amendment H-1635 to the State General Fund related to health insurance premium increases under group insurance contracts cannot be determined at this time.

Sources

March of Dimes
Department of Public Health
Department of Education
Center for Disabilities and Development, University of Iowa

/s/ Holly M. Lyons

April 18, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
