



[SF 2342](#) – Diagnostic Imaging, Insurance (LSB6090SV)  
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 Fiscal Note Version – New

**Description**

[Senate File 2342](#) requires a policy, contract, or plan providing for third-party payment or prepayment of health or medical expenses to provide coverage for diagnostic breast cancer examinations, which are defined as medically necessary examinations of an abnormality for the purpose of detecting breast cancer. The requirement would become effective on January 1, 2021.

**Background**

Under Wellmark’s current plan designs for State of Iowa, there is typically no cost to Plan members for copayments, coinsurance, and deductibles for preventive/screening mammograms, ultrasounds, and magnetic resonance imaging (MRI) procedures. However, if the screening, ultrasound, or MRI procedure is diagnostic in nature, the Plan member assumes a cost-sharing liability in the form of copayments, coinsurance, and deductibles. Under the Bill, this cost-sharing arrangement would apply to breast cancer examinations as well, and the cost-sharing would be shifted from the State of Iowa Plan member to the Plan.

**Assumptions**

- Mammograms will account for most preventive imaging services as described in the Bill.
- Under Wellmark’s plan designs, diagnostic services, including examinations, are paid through a cost-sharing arrangement using copayments, coinsurance, and/or deductibles.
- The cost that is currently paid by members for breast cancer examinations will shift to the State of Iowa Plan beginning in FY 2021.
- The cost of these services and the utilization of these services are projected to increase by 5.3% annually.

**Fiscal Impact**

The fiscal impact of [SF 2342](#) for shifting the share of costs associated with diagnostic breast cancer examinations from Plan members to the Plan is approximately \$122,000 in FY 2021 and \$129,000 in FY 2022. This amount represents less than 0.1% of the total amount paid by the State of Iowa Plan for medical and pharmaceutical expenses.

**Cost-Sharing Changes Under SF 2342  
for Diagnostic Breast Cancer Examinations**

	Fiscal Year	Plan Share	Member Liability	Services Performed
<b>Current Law</b>	2018	\$ 544,256	\$ 131,125	4,330
	2019	530,120	110,029	4,131
	2020	558,550	115,930	4,353
<b>SF 2342</b>	2021	710,228	0	4,586
	2022	876,414	0	4,832

The exact fiscal impact to other plans administered by other carriers is unknown, but is expected to be above \$100,000 annually.

**Source**

Wellmark

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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