

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 316

STATUS: A Engrossed

SUBJECT: Requires health benefit plans to provide coverage for routine costs of care in qualifying clinical trials.

GOVERNMENT UNIT AFFECTED: Department of Consumer and Business Services, Department of Administrative Services

PREPARED BY: Kim To

REVIEWED BY: Susie Jordan, Laurie Byerly

DATE: April 9, 2009

2009-2011

2011-2013

EXPENDITURES:

See Analysis

EFFECTIVE DATE: January 1, 2010

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: Senate Bill 316 requires health benefit plans to provide coverage for routine costs of care of patients enrolled in and participating in qualifying clinical trials. The bill specifies that an insurer that provides coverage required by the bill is not liable for any adverse effects of the clinical trial. The measure modifies routine costs to exclude items and services (1) required solely for the provision of the investigational drug, device or services; (2) required solely for the clinically appropriate monitoring of the investigational drug, device or service; and (3) required solely for the prevention, diagnosis or treatment of complications arising from the provision of the investigational drug, device or service. The amendment also removes the requirement that the health benefit plan must reimburse health care providers who do not participate in the plan at the same rate as the plan pays participating providers for the same service or category of service not delivered in a clinical trial, taking into account applicable copayments, coinsurance or deductibles.

Currently, insurers are contractually obligated to pay for routine costs of care. However, some health plans don't cover these costs once a patient joins a clinical trial. This bill defines routine costs of care and clinical trials, and requires health benefit plans to cover these routine costs of care for patients participating in clinical trials.

The Department of Consumer and Business Services (DCBS) Insurance Division reports a minimal impact on the Division's staffing and resources. If the bill passes, the Division would have minimal workload impact reviewing insurers' submission of new rates and forms that include the coverage for routine care in clinic trials. The Insurance Division estimates 135 insurer filings would be submitted. Review, processing and data entry of filings as well as updating of insurer mandate product standards would be absorbed by the Division's existing staff and resources.

DCBS reports that this bill has a minimal fiscal impact to the Oregon Medical Insurance Pool (OMIP). OMIP's premium's rates are a result of the average for premium rates for similar commercial individual health benefit plans. Should the rates for these commercial plans increase due to the requirements of this mandate, OMIP rates would also increase. However, OMIP assumes that the fiscal impact would be minimal because Regence Blue Cross Blue Shield of Oregon, OMIP's third party administrator, states that there would likely be no rate impact with passage of this bill.

Based on the range of responses from insurance carriers, the Department of Administrative Services (DAS) also reports an indeterminate but minimal fiscal impact on premium costs. The Public Employees' Benefit Board (PEBB) reports that its largest carrier, Regence Blue Cross Blue Shield of Oregon, states that there would likely be no rate impact with passage of this bill. The Oregon Educators Benefit Board (OEBB) reports its largest carrier, ODS, estimates minimal or no impact in premium costs; OEBB's other carriers of medical plans did not provide impact information for the plans they administer.