

OVERVIEW

Status Report on the Study of Proposed Mandatory Health Insurance Coverage for Post-Mastectomy Breast Reconstructive Surgery

Report No. 99-2, January 1999

Summary

House Concurrent Resolution No. 14, House Draft 1, Senate Draft 1 of the 1998 legislative session requested the State Auditor to study the social and financial impacts of requiring all employer group health policies, contracts, plans, or agreements—issued or renewed in Hawaii, on a group or individual basis—to provide coverage for post-mastectomy breast reconstructive surgery. Coverage for the cost of care is to be provided for all stages of reconstruction as well as symmetry operations on the noncancerous breast. The resolution set forth House Bill No. 620 of the 1997 legislative session as the vehicle to mandate this coverage.

Breast reconstructive surgery is performed after a mastectomy—the surgical removal of breast tissue—which is a primary treatment option for breast cancer. Other than skin cancer, breast cancer is the most common cancer among women. Statistics from the American Cancer Society indicate that a woman in the United States has a 12.5 percent (or 1 in 8) lifetime risk of developing breast cancer and a 3.5 percent (or 1 in 29) lifetime risk of dying from it.

On October 21, 1998, the federal Omnibus Appropriations Act of 1998 was enacted. The act included a Woman's Health and Cancer Rights title mandating health insurers who provide medical and surgical benefits for mastectomies to provide, upon the election of the patient, coverage for reconstruction of the breast on which the mastectomy was performed and reconstructive surgery on the other breast to produce a symmetrical appearance. The federal law also mandates coverage for prostheses and for physical complications which may occur in all states of mastectomy.

This federal mandate adds a new section to the Employee Retirement Income Security Act of 1974 (ERISA) and the Public Health Service Act (PHSA) and impacts all group health plans, health insurance issuers who provide health insurance coverage through group and individual health plans and those who provide services as mutual benefit societies and health maintenance organizations.

We contacted a number of organizations previously identified as interested in the proposed mandate for post-mastectomy breast reconstructive surgery. While most agreed that an additional state mandate did not appear necessary, it was too soon to assess the impact of the new federal mandate.



Recommendations and Response

In light of this information, we deferred further study on the social and financial impacts of a state mandate on post-mastectomy breast reconstructive surgery until such time has elapsed that the impact of the new federal legislation can be assessed. A copy of our draft report was forwarded to the Department of Health for comment. The department elected not to respond to our report.

**Marion M. Higa
State Auditor
State of Hawaii**

Office of the Auditor
465 South King Street, Room 500
Honolulu, Hawaii 96813
(808) 587-0800
FAX (808) 587-0830