

## Legislative Auditor

# OVERVIEW

## STUDY OF PROPOSED MANDATED INSURANCE FOR MAMMOGRAM SCREENING

Honolulu, Hawaii

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### Summary

This report assesses the social and financial impact of Senate Bill No. 1398 and House Bill No. 594, which require insurers to provide benefits for low-dose mammogram screening. As of October 1989, twenty-five states had laws mandating some kind of insurance coverage for the procedure. The benefits in the Hawaii bills are based on guidelines of the American College of Radiology: one baseline mammogram for women 35 to 39 years of age, a mammogram every two years for women 40 to 49 years of age, an annual mammogram for women over 50 years of age, and a mammogram on a physician's recommendation for women of any age with a history of breast cancer or whose mother or sister has had breast cancer.

Screening mammography is a procedure that uses low-intensity radiation to detect signs of breast

cancer in women who have no symptoms. When properly performed and interpreted and combined with a physical examination of the breast, it can detect cancer in its earliest stages, long before the lesions can be felt. Studies have shown that periodic mammogram screening, combined with palpation, can reduce mortality from breast cancer and improve survival.

Most experts agree that the radiation risk from periodic screening is minimal. However, the need for quality control can be expected to increase with any large-scale screening program because poor-quality mammograms can miss small cancers and also lead to unnecessary biopsies. The test is expensive--charges for a screening mammogram in Hawaii range between \$50 and \$130.

### FINDINGS

Although periodic mammogram screening for women over 40 years of age is beneficial, usage is low, even in plans with coverage. Mammogram screening is covered by most plans of health maintenance organizations such as Kaiser, but not by the fee-for-service plans of the Hawaii Medical Service Association (HMSA) and other insurers. The cost of the procedure may be a barrier to many women, but cost is not the only barrier, and insurance alone will not guarantee that women will regularly seek screening.

The proposed legislation can be expected to increase the use of screening in plans that do not cover the benefit and add to the costs of health care in spite of some savings in reduced treatment costs. The Wyatt Company, an actuarial firm, estimated the total first-year costs

of screening at \$2,428,078 for plans that do not currently cover the benefit. The impact on insurance premiums is an estimated \$.41 per month per adult member. These estimates do not include deductible and coinsurance levels, which vary by plan and could reduce insurance costs considerably.

The bills have some weaknesses: the House measure did not include mutual benefit societies such as HMSA; neither measure specifies health maintenance organizations such as Kaiser; neither measure allows specifically for coinsurance provisions (in addition to deductible provisions) in force in contracts or policies; and the requirement for an informational brochure was not reasonable or cost-effective.

### CONCLUSIONS

The study was not able to provide clear-cut answers to all questions

on the impact of the proposals to mandate benefits for mammogram screening. For the individual woman, the costs of dying from advanced stage breast cancer outweigh the annual costs of screening. For large numbers of women, the costs of large-scale screening will not be entirely offset by savings in treatment costs, and insurance rates will likely increase. However, these increases should not be substantial and could be reduced considerably with cost-sharing arrangements.

### RESPONSE

The Director of Health stated that the Department of Health supports mandated health insurance coverage of mammogram screening. The State Health Insurance Program will be providing age-specific coverage for mammogram screening.