

PURPOSE OF HB 1121

Concerning coverage for biomarker testing for early detection and management for cancer diagnoses.

ACTUARIAL STATEMENT

The Fiscal Impact Statement was prepared according to generally accepted actuarial principles and practices, in compliance with ACT 112. The Statement provides an estimate of the financial and actuarial effect of the proposed change(s) on the Plans, if possible. The Statement makes no comment or opinion with regard to the merits of the measure for which the Statement is prepared; however, any identified technical or mechanical defects have been noted.

We have reviewed the input and results of our analysis for reasonableness and relied upon the data and information provided by the Plans and their Claims Processing Contractors.

A handwritten signature in black ink, appearing to read "Patrick Klein".

3/6/2023

Patrick Klein, FSA, MAAA
Vice President

Date

A handwritten signature in black ink, appearing to read "Matthew Kersting".

3/6/2023

Matthew Kersting, FSA, MAAA
Vice President

Date

PROJECTED COSTS

Plan	Plan Design Change	Annual Estimated Cost
EBD	No Change	No Impact
UOA	Cover Biomarker Testing	\$284,000
ASU	Cover Biomarker Testing	\$37,000
UCA	Cover Biomarker Testing	\$24,000
AHEC	Cover Biomarker Testing	\$11,000
NWACC	Cover Biomarker Testing	\$6,000
SAU	Cover Biomarker Testing	\$7,000

PRICING APPROACH AND COMMENTS

House Bill 1121 requires self-insured health plans to cover biomarker testing for early detection and management for cancer diagnoses. Providing coverage for biomarker testing is likely to increase health plan costs. EBD confirmed the plan already provides coverage for this service, as such, no additional cost impact is anticipated for this plan.

To develop the impact for the remaining plans, cost and utilization metrics were sourced from Blue Cross and Blue Shield of Arkansas, University of Arkansas, publicly available data, and Segal's internal data warehouse. The magnitude of the fiscal impact for each plan was estimated based on a set of developed cost and utilization assumptions. The weighted average cost to cover single-analyte tests, multiplex panel tests, and partial or whole genome sequencing we are using in the calculation is \$1,700. The utilization assumption is 0.5% of members. The fiscal impact varies by plan based on the total number of members covered under each plan.