

## PURPOSE OF BILL: SB 83

To mandate coverage for breast reconstruction surgeries; to require prior authorization for breast reconstruction surgeries; and to establish a minimum reimbursement rate for breast reconstruction surgeries.

## 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.

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3/12/2025

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Patrick Klein, FSA, MAAA  
Vice President, Segal

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Date

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

3/12/2025

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Matthew Kersting, FSA, MAAA  
Vice President, Segal

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Date

## PROJECTED COSTS

Plan	Plan Design Change	Estimated Cost/(Savings)
EBD	No Change	Negligible Impact

## PRICING APPROACH AND COMMENTS

Senate Bill 83 requires coverage for breast reconstruction surgeries following a mastectomy, trauma, congenital and non-congenital diseases, and prophylaxis against a future disease of the breast.

It also sets a maximum reimbursement rate for a breast reconstruction surgery performed by out-of-network provider as a lesser of:

(1) the billed charges; or (2) eightieth percentile of all charges for the particular healthcare service performed by a healthcare professional in the same or similar specialty and provided in the same or similar geographical area.

Coverage for breast reconstruction services was confirmed as already provided by the EBD Plan. There is potential for a small cost increase for out-of-network procedures, but given the low utilization of this service (0.2 surgeries per 1,000 members in CY 2023 with only 2% of them performed out of network), any additional costs would be considered negligible.