

Mandated Benefits Review - Senate Bill 1057 - Executive Summary

After reviewing the staff analysis of Senate Bill 1057, the Mandated Benefits Review Committee of the Pennsylvania Health Care Cost Containment Council can not support this bill at this time. We were unable to find *needed proof* in the review of Senate Bill 1057 that coverage of bone density testing would provide corresponding *savings*, either in terms of saved health care dollars or improved quality of life. We conclude that, in as much as neither proponents nor opponents have submitted sufficient documentation pursuant to Act 34 of 1993, the Council did not receive the necessary and required information on the social and financial impact or the medical efficacy to warrant recommending approval of the mandated health benefits proposed under Senate Bill 1057.

The Committee also concludes that there is a **serious and significant need for public education regarding osteoporosis prevention**. Medical professionals and experts agree that the most effective way to deal with osteoporosis is to prevent it, and education is an essential component in prevention. While the benefits of osteoporosis prevention and early detection on improved quality of life and future health care savings are indisputable, we found there to be no consensus in medical literature that broad-based osteoporosis screening via bone density testing would necessarily achieve these results. Had there been such definitive information or a consensus on the benefits of broad-based bone mineral density screening, the Committee may have concluded differently regarding recommending passage of the bill.

While not required as part of mandated benefits reviews, Council staff undertook significant efforts in conducting independent research to better understand osteoporosis in general, including an examination of the Council's own hospitalization and average charge data, and the projected costs of Senate Bill 1057. Using numerous internet and library resources and by contacting state and federal personnel, staff applied some broad, and perhaps gross, assumptions to estimate that the implementation of Senate Bill 1057 could cost between \$199 million and \$275 million yearly. If only 50% of the eligible population would utilize the benefits mandated under the bill and undergo bone density testing in any year, the costs for the mandate could reach as high as from \$99 million to \$137 million per year. While staff were able to provide these broad cost estimates, no information was received or found that allowed us to estimate the potential cost savings of the measure.

In addition to the conclusion that there is a need for improvement in public education and awareness of osteoporosis prevention; the Mandated Benefits Review Committee finds the following upon reviewing the staff analysis of Senate Bill 1057:

- ⊗ The Council recognizes the importance of preventing osteoporosis and is sympathetic to the burden this disease places on affected Pennsylvanians and their family members. Clearly, osteoporosis and related fractures are extremely costly to the Commonwealth in terms of direct health care expenditures, lost productivity, and diminished quality of life for Pennsylvanians—and the disease will only become more prevalent among our increasingly elderly population if current trends are not addressed.
- ⊗ We conclude, however, that neither supporters nor opponents of the bill provided sufficient information to warrant a full review of the proposal; nor, given the documentation received, do we believe a panel of experts would come to conclusions different than the ones reached here.
- ⊗ Council staff research has found there to be no universal level of bone mineral density at which osteoporosis is defined;
- ⊗ There does not appear to be sufficient proof that coverage of bone density testing actually improves preventive efforts or reduces the incidence of osteoporotic fractures;
- ⊗ We assert that using perimenopausal status as a definition for the clinical indication of bone density testing would result in very broad-based screening using methods for which there does not appear to be solid research to support efficacy. (Even the National Osteoporosis Foundation does not recommend universal screening.); and
- ⊗ The potential cost of the proposal could reach as high as \$275 million annually, and while it is likely that an increase in prevention and early detection of osteoporosis could result in saved health care dollars from fractures, no information was provided that could be used to determine the degree to which the long-term *savings* from prevention would outweigh the cost of the benefit.

Numerous studies have shown legislative mandates to be a significant contributing factor to rising health care costs. Insurance Commissioner Koken stated in testimony before the House Insurance Committee that, "While the Department believes that the services provided under mandated benefits may be important, we are concerned that this trend toward increasing mandated benefits has a negative impact on the consumers and purchasers of health insurance." The Mandated Benefits Review Committee has similar concerns. As a Council, we are charged with the responsibility to "promote the public interest by encouraging the development of competitive health care services in which *health care costs are contained* and to assure that all citizens have reasonable access to quality health care" (Act 34 of 1993).

In considering mandated benefits, the Committee contends that extreme caution must be used and recommendation reserved only for measures which are of proven efficacy and cost-effectiveness. Clearly, some mandates, such as child immunization, meet these standards. For some proposed mandates, however, the balance is not so clear. We were unable to find *needed proof* in the review of Senate Bill 1057 that coverage of bone density testing would provide corresponding savings, either in terms of saved health care dollars or improved quality of life. It appears that there is no research that draws a clear correlation between bone mineral density testing and reduced fracture incidence, or even improved compliance with recommended preventive behaviors, such as hormone replacement therapy or exercise. Without this needed proof, we cannot derive the clear "benefit" portion of a cost/benefit analysis of Senate Bill 1057.