



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 272

PRINTERS NO. 4139

PRIME SPONSOR: Hess

### COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
General Fund	\$0	\$3,028,000

**SUMMARY:** Creates the Lyme and related Tick-Borne Disease Surveillance, Education, Prevention and Treatment Act effective July 1, 2013.

**ANALYSIS:** This legislation provides for definitions relating to lyme/tick-borne diseases; requires the Department of Health to establish a 20 member task force which is to investigate and make recommendations regarding surveillance/prevention of these diseases, raising awareness about long-term effects of misdiagnosis, developing a general health and health care professional information and education program, and cooperating with various state agencies to disseminate the program information as well as to test ticks/provide results and publish on DEP's public website. Within 45 days of the effective date the Secretary is to appoint the members of the task force; within 90 days of the effective date, the task force is to convene and meet quarterly thereafter and issue a report with recommendations to the Secretary within one year of its first meeting. The task force members shall be reimbursed for actual and necessary expenses.

The department is required to develop a program of general public, health care professional information and education regarding lyme disease and develop an active tick collection-testing-surveillance program in cooperation with DEP and to cooperate with various state agencies to disseminate the information to licensees of the PA Game Commission, to visitors of State parks/lands, to professional associations of health care professionals, to school administrators, school nurses, faculty-staff, parents-guardians, students, to the general public and to make the information available on DPW's website as well as with Penn State University's Department of Entomology to disseminate educational resources about ticks, related diseases, integrated pest management. The department would have the authority to identify and apply for public/private grants and funding in order to carry out the provisions of the legislation.

The legislation would require every health care policy with exceptions to cover prescribed treatment for lyme disease or related tick-borne illnesses if the diagnosis and treatment plan are documented in the patient's medical record and it is documented in the patient's medical record that the patient has been properly informed of multiple standards of care, risks, benefits and able to exercise informed consent.

**FISCAL IMPACT:**

Based on a July 1, 2013 effective date, no fiscal impact is estimated for fiscal year 2012-13. It is estimated that there will be minimal fiscal impact for the Department of Health to reimburse task force members for actual and necessary expenses. It is assumed that no more than a total of \$28,000 in state funds would be required to reimburse 14 non-Administrative task force appointees for 4 meetings.

It is estimated that DEP would require an additional \$3million in state funds in order to implement and administer the environmental surveillance and testing aspects of a statewide tick program and would include program management overhead, staffing, lab testing costs and operational costs for equipment and lab space. DEP has a monitoring and surveillance program for the West Nile virus. Since the mosquito season and tick season do not run concurrently, it may be possible to use existing staff to conduct environmental sampling for Lyme and other tick-borne illnesses. DEP currently has the ability to test for 3 tick borne illnesses. The \$3million estimate includes staffing for tick surveillance, program management, lab testing costs, operational costs for equipment and lab space for a statewide program.

Since the Medical Assistance program is not specifically exempted, it is assumed that the Medical Assistance program would fall under the mandate while the Medical Assistance program currently provides treatment and follow-up services when medically necessary and appropriate. However, although difficult to quantify, it is estimated that requiring coverage for long-term therapies, long-term antibiotic or antimicrobial therapy and treatment "as prescribed" by the attending physician without a disease/care management or prior authorization capability by the medical assistance program will have an unmeasurable fiscal impact. PEBTF's health care plans already provide coverage for Lyme disease.

Under the Federal Affordable Care Act, the federal government is developing a standard package of essential benefits to be provided through state healthcare exchanges in 2014. If a state mandates coverage not included in the essential benefits package, the state will be responsible for that coverage and the associated costs for individuals in the exchange. This mandate could have fiscal impact in 2014 if the coverage for treatment of lyme disease is not included in the federal essential benefits package. However, it is difficult to determine the extent of that impact at this time.

**PREPARED BY:** Kathy Vranicar  
House Appropriations Committee (R)

**DATE:** October 2, 2012

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*