

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 731
 Finance

(Senator Feldman, *et al.*)

Health - Alleged Rape, Sexual Offense, or Child Sexual Abuse - HIV Post-Exposure Prophylaxis

This bill requires the Maryland Department of Health (MDH) to reimburse a physician or hospital for the cost of providing a full course of treatment for post-exposure prophylaxis (PEP) for the prevention of HIV infection that is requested by a victim of an alleged rape, sexual offense, or child sexual abuse, and that is prescribed by a health care provider. If a health care provider prescribes PEP to a victim, the victim may not be required to apply for or seek services from another health care provider in order to receive a full course of treatment.

Fiscal Summary

State Effect: General fund expenditures increase by as much as \$4.4 million in FY 2019 and by as much as \$5.8 million annually thereafter. Revenues are not affected.

(\$ in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	4.4	5.8	5.8	5.8	5.8
Net Effect	(\$4.4)	(\$5.8)	(\$5.8)	(\$5.8)	(\$5.8)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Background: If a physician or a hospital provides any of the following services to a victim of an alleged rape, sexual offense, or child sexual abuse, the services must be provided without charge and the physician or hospital is entitled to be reimbursed by MDH for the costs of providing the services: (1) a physical examination to gather information and evidence as to the alleged crime; (2) emergency hospital treatment and follow-up medical testing for up to 90 days after the initial physical examination; and (3) an initial assessment of a victim of alleged child sexual abuse (for up to five hours of professional time of specified professionals to gather information and evidence).

According to the U.S. Centers for Disease Control and Prevention, PEP is the taking of antiretroviral medicines after being potentially exposed to HIV to prevent infection. Such treatment must be started within 72 hours after a possible exposure. Prescriptions must be taken once or twice per day for 28 days.

Medicaid advises that PEP medications are covered by Medicaid (with a \$1 copay) if participants obtain a prescription and are not on any other HIV medication.

MDH's Prevention and Health Promotion Administration (PHPA) advises that, in addition to sexual assault forensic examinations, physicians are reimbursed for a seven-day "starter pack" of PEP (\$276) and pre-prescription baseline laboratory testing (\$237). In fiscal 2017, the State paid for 20 seven-day starter packs, for a total cost of approximately \$10,260. PHPA further advises that, based on Medicaid prices, a *full course* of PEP treatment costs an average of \$3,111; recommended follow-up laboratory testing costs are \$205 (in addition to the pre-prescription baseline laboratory costs of \$237).

State Expenditures: According to the 2015 Maryland Uniform Crime Report, there were 1,628 "forcible rapes" reported in 2015, which is the latest year for which information is available. Based on this information and the bill's October 1, 2018 effective date, PHPA advises that there may be 1,221 qualifying cases for PEP treatment reimbursement in fiscal 2019; however, PHPA notes that actual costs depend on the number of cases in any given year.

The bill requires PHPA to reimburse physicians and hospitals for a *full course* of PEP (\$3,553 including pre-prescription and follow-up laboratory testing). As noted previously, PHPA currently reimburses physicians only for PEP starter packs (\$513, including associated laboratory testing); in fiscal 2017, there were 20 starter pack reimbursements.

Thus, PHPA advises that general fund expenditures for PEP treatment reimbursements increase by a net of \$4.3 million in fiscal 2019 and by almost \$5.8 million annually

thereafter. Additionally, PHPA advises that it must hire one full-time contractual medical services reviewing nurse to review the additional claims generated by the bill.

The Department of Legislative Services (DLS) agrees that costs likely increase significantly due to increased claims for, and higher costs of, PEP treatment reimbursements, and that additional staff is likely needed. However, DLS notes that regular staff, rather than contractual staff, is appropriate given the permanent duties associated with reimbursement under the bill. Further, actual costs may vary depending on the number of full PEP treatments requested and prescribed for specified victims in any given year.

Therefore, DLS advises that general fund expenditures increase by *as much as* \$4,371,966 in fiscal 2019, which accounts for the bill's October 1, 2018 effective date. This estimate includes \$4,330,517 in PEP treatment reimbursements, as well as the cost of hiring one full-time medical services reviewing nurse to review additional PEP treatment reimbursement claims. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

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PEP Treatment Reimbursements	\$4,330,517
Salary and Fringe Benefits	50,006
Other Operating Expenses	<u>5,359</u>
Total FY 2019 State Expenditures	\$4,385,882

Future year expenditures reflect continued reimbursement for the full course of PEP, as well as a full salary with annual increases and employee turnover and ongoing operating expenses. Actual costs may vary depending on the number of PEP treatment requests and corresponding claims for reimbursements in any given year.

Small Business Effect: Physicians may be reimbursed for the full course of PEP for specified victims, instead of only starter prescriptions, and may be required to continue to provide such treatment under the bill.

Additional Information

Prior Introductions: None.

Cross File: HB 639 (Delegate A. Miller, *et al.*) - Health and Government Operations.

Information Source(s): Maryland Department of Health; Maryland Association of County Health Officers; *2015 Uniform Crime Report*; U.S. Centers for Disease Control and Prevention; Department of Legislative Services

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