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## INSURANCE Insurance Regulations: Requires Offering Additional Coverage

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## INSURANCE

### *Insurance Regulations: Requires Offering Additional Coverage*

CODE SECTIONS: O.C.G.A. § 33-29-3.2 (new), § 33-30-4.2 (new)  
BILL NUMBER: HB 1427  
ACT NUMBER: 1251  
SUMMARY: The Act requires certain health insurers to offer optional insurance coverage for mammograms and pap smears.  
EFFECTIVE DATE: July 1, 1990

### *History*

Cancer is a major health concern. Preventive care and early detection saves lives, reduces the cost of health care and costs to employers by maintaining a healthier, more productive work force.<sup>1</sup> The survival rate for women with breast cancer who were diagnosed at an early stage through annual mammograms has been estimated at 100 percent after five years.<sup>2</sup> In contrast, where breast cancer is detected in later stages, after the disease has begun to spread, the survival rate is only fifty percent.<sup>3</sup> Yet, the Center for Disease Control reports that in Georgia only thirty percent of women over fifty years of age have annual mammograms.<sup>4</sup> In contrast, regular pap tests and examinations have caused a seventy percent drop in the number of deaths related to uterine and cervical cancers in the last forty years.<sup>5</sup>

A majority of other states already have statutes requiring insurance coverage for mammograms and pap smears.<sup>6</sup> Legislation requiring coverage of these procedures by Georgia insurance companies was initiated by a coalition of women's health groups.<sup>7</sup> The legislation was drafted in an effort to increase the use of mammograms and pap smears, facilitate early detection of cancer, and thereby improve the survival rate of women with breast or uterine cancer.<sup>8</sup>

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1. *Preventive Care Best Way To Cut Health Costs*, Atlanta Const., Feb. 26, 1990, at A10, col. 1 [hereinafter *Preventive Care*].

2. *Id.*

3. *Id.*

4. *Id.*

5. *Testing, Other Medical Advances Help Reduce Cancer Death Rate*, Atlanta J. & Const., May 20, 1990, at S5, col. 1.

6. *Preventive Care*, *supra* note 1.

7. Telephone interview with Representative Eleanor L. Richardson, House District No. 52 (Mar. 27, 1990) [hereinafter Richardson Interview].

8. *Id.*

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The Act requires some health insurers to offer optional coverage for mammograms and pap smears.<sup>9</sup> New Code sections were added to the portion of the Code which contain the mandatory provisions for individual<sup>10</sup> and for group health insurance policies.<sup>11</sup>

The bill, as introduced, required that health insurance cover the costs of mammograms and pap smears.<sup>12</sup> The House Committee on Insurance offered a substitute which was passed by the House.<sup>13</sup> The substitute changed the bill from requiring mandatory coverage for these procedures to only requiring the insurer to either offer the coverage as a part of the insurance policy, or offer it as an optional endorsement.<sup>14</sup> The changes in the bill resulted from opposition by the insurance industry to the mandatory coverage.<sup>15</sup>

The Senate Committee on Insurance offered an amendment version of the bill which was prompted by the intense lobbying efforts of the insurance industry opposing the bill.<sup>16</sup> The amendment exempted disability income policies, specified disease policies, and hospital indemnity policies from the bill.<sup>17</sup> The removal of specified disease policies means that cancer insurers are not required to offer coverage for procedures which are widely used for the early detection of cancer.<sup>18</sup> The bill passed the Senate with the Senate Committee amendment and the House agreed to the Senate amendment.<sup>19</sup>

A similar bill, SB 750, was introduced but did not pass the House.<sup>20</sup> The Senate bill also required only that insurance coverage for these tests be offered and did not require mandatory coverage for these tests by health insurance policies.<sup>21</sup> The bill, as passed by the Senate, would have exempted disability income policies, specified disease policies, and

9. O.C.G.A. §§ 33-29-3.2, 33-30-4.2 (Supp. 1990).

10. O.C.G.A. § 33-29-3.2 (Supp. 1990).

11. O.C.G.A. § 33-30-4.2 (Supp. 1990).

12. HB 1427, as introduced, 1990 Ga. Gen. Assem.

13. HB 1427 (HCS), 1990 Ga. Gen. Assem.

14. *Id.*

15. Richardson Interview, *supra* note 7. Representative Richardson indicated that Georgia's insurance industry strongly opposes any kind of mandatory insurance coverage. Representative Richardson agreed to the changes to keep the bill from remaining in committee. *Id.*

16. HB 1427 (SCA), 1990 Ga. Gen. Assem.

17. HB 1427 (SCA), 1990 Ga. Gen. Assem.; *see generally Preventive Care, supra* note 1; Richardson Interview, *supra* note 7.

18. *See generally Preventive Care, supra* note 1; Richardson Interview, *supra* note 7. These exemptions were due to lobbying efforts of the insurance industry. *Id.*

19. Final Composite Status Sheet, Mar. 9, 1990.

20. SB 750, as introduced, 1990 Ga. Gen. Assem.; Final Composite Status Sheet, Mar. 9, 1990.

21. SB 750, as introduced, 1990 Ga. Gen. Assem.

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hospital indemnity policies from the requirement of offering this coverage just as HB 1427 does.<sup>22</sup> SB 750, however, would have also exempted medicare supplemental policies.<sup>23</sup>

*Conclusion*

The Act is a step toward improving preventive health care for the women of Georgia. Whether requiring insurers to offer optional coverage for mammograms and pap smears will increase the utilization of these procedures is questionable. If an additional premium is charged for this optional coverage, the same women who currently cannot afford the procedure will likely be unable to afford the extra premium.

*R. Dimon*

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22. Compare SB 750, as introduced, 1990 Ga. Gen. Assem. with O.C.G.A. §§ 33-29-3.2, 33-30-4.2 (Supp. 1990).

23. SB 750, as introduced, 1990 Ga. Gen. Assem.