



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0994 Introduced on February 13, 2018  
**Author:** Rice  
**Subject:** Cold Cap and Scalp Cooling Systems  
**Requestor:** Senate Finance  
**RFA Analyst(s):** Shuford  
**Impact Date:** March 9, 2018

**Estimate of Fiscal Impact**

	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$700,000	\$1,400,000
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill will increase State Health Plan expenditures by \$1,400,000 in 2020 to provide cold cap and scalp cooling systems coverage. This expenditure impact will occur over two fiscal years due to the difference in calendar and fiscal years. The increased expenditures in FY 2019-20 will total \$700,000 with an addition expenditure increase in FY 2020-21 of \$700,000 for the total expenditure impact of \$1,400,000. Increased expenditures of the State Health Plan generally result in additional employee and employer contributions since the State Health Plan is self-funded.

**Explanation of Fiscal Impact**

**Introduced on February 13, 2018**

**State Expenditure**

This bill requires the Board of Directors of the South Carolina Public Employee Benefit Authority (PEBA) to provide coverage in the State Health Plan for equipment, supplies, and the use of cold caps and scalp cooling systems for the treatment of patients undergoing chemotherapy. The PEBA board is required to provide coverage by the August 15, 2019, benefits plan for the 2020 plan year.

Cold cap therapy and scalp cooling systems are tightly fitting hats filled with a gel coolant that is chilled to between -15 to -40 degrees Fahrenheit. Patients wear the caps or scalp cooling systems for approximately one hour prior to the chemotherapy, during therapy, and for up to one and one-half hours after chemotherapy. These systems may help some patients keep some or most of their hair during chemotherapy (reduce chemotherapy-induced alopecia). At this time,

the U.S. Food and Drug Administration has cleared the DigniCap Scalp Cooling System and the Paxman System. The cost of these systems varies depending on the number of chemotherapy session and the number of months the systems are utilized.

A utilization analysis by Blue Cross Blue Shield for PEBA indicates that the typical breast cancer chemotherapy regimen is four infusion sessions at an average cost of \$600 per therapy session. This analysis reports that the annual cost to the State Health Plan to provide cold cap and scalp cooling systems coverage will amount to \$1,400,000 in 2020. This estimate is based on current co-payment schedules. The bill allows PEBA to implement additional co-pay requirements, which would reduce the additional coverage cost by an undetermined amount depending on actions by the PEBA board. This expenditure impact will occur over two fiscal years due to the difference in calendar and fiscal years. The increased expenditures in FY 2019-20 will total \$700,000 with an addition expenditure increase in FY 2020-21 of \$700,000 for the total expenditure impact of \$1,400,000. Increased expenditures of the State Health Plan generally result in additional employee and employer contributions since the State Health Plan is self-funded.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director