

Fiscal Note

BILL # HB 2342

TITLE: AHCCCS; infant male circumcision

SPONSOR: Shah

STATUS: As Introduced

PREPARED BY: Chandler Coiner

Description

The bill, as introduced, would add infant male circumcision as an AHCCCS benefit. Currently, circumcision is a covered service only when it is determined to be medically necessary.

Estimated Impact

AHCCCS actuaries estimate the bill would increase AHCCCS costs by \$1.9 million annually, of which \$277,200 would be paid for via the General Fund, \$148,000 via the Hospital Assessment Fund, and \$1.4 million via federal Medicaid funds. This cost estimate assumes that the bill would result in an additional 12,372 infant males receiving the procedure annually at a cost of \$151.40 per child.

We concur with AHCCCS' estimate of the bill's fiscal impact.

Analysis

Most infant male circumcisions are routine, elective procedures performed within the first 48 hours of birth. In rare cases, the procedure may be deemed medically necessary. AHCCCS currently covers the service in these rare cases with prior authorization, but it is not covered as a routine procedure.

AHCCCS estimates an additional 12,372 infant males would receive the procedure annually due to this bill. AHCCCS reports there were 39,526 births in Calendar Year 2022 within its acute care programs. This results in 19,763 male births assuming a 50% male birth rate. AHCCCS also assumes a circumcision rate of 62.6%, resulting in a final estimate of 12,372.

AHCCCS estimates the average rate paid for circumcisions is \$151.40 based on the most common circumcision rate code. If each of the estimated 12,372 infant males were to receive the procedure at this rate, it could cost an estimated \$277,200 General Fund and \$148,000 Hospital Assessment Fund (\$1.9 million Total Funds) annually. We concur with AHCCCS' estimate of the bill's fiscal impact.

Local Government Impact

None

2/7/23

