

**Government of the District of Columbia  
Office of the Chief Financial Officer**



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** FEB 12 2008

**SUBJECT:** Fiscal Impact Statement: "Clinical Trials Insurance Coverage Act of 2008"

**REFERENCE:** Bill Number 17-469 (Committee Print)

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**Conclusion**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. The proposed legislation is not anticipated to have a fiscal effect on the District's budget and financial plan.

**Background**

The proposed legislation would prohibit health insurers in the District of Columbia from denying payment for coverage of routine patient care costs for a qualified individual participating in an approved clinical trial if the service, item, or drug would have been covered had it not been administered in a clinical trial. The proposed legislation would apply to government medical assistance providers and their contractors, including the Health Care Safety Net Alliance Program.

**Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. District of Columbia government medical assistance providers, including the Health Care Safety Net Alliance Program, do not currently deny coverage to members participating in clinical trials. Medical benefits packages offered to District government employees, for which the District government pays 75% of premium costs, currently cover

standard (non-experimental) medical expenses for those insured persons participating in a clinical trial. It is therefore estimated that the proposed legislation would have no impact on the cost of the Alliance Program or government-paid premiums, and thus no fiscal impact on the budget and financial plan.

### **Additional Comments**

It can be assumed that some employer-subsidized health plans in the District of Columbia do not currently provide coverage for routine patient care costs for insured persons participating in qualified clinical trials. As such, some percentage of D.C. businesses may face slight increases in premiums for their employee health insurance plans.

For example, when the State of Wisconsin passed similar legislation in 2005, actuaries there estimated an increase in monthly premiums of \$0.04 to \$0.08 per insured person. However, as any increase in premium costs will likely be passed on to consumers (i.e., employees) rather than borne by businesses, no significant impact on District of Columbia businesses is anticipated should the proposed legislation be enacted.