



**Senate Fiscal Agency**  
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**BILL ANALYSIS**

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Senate Bills 234 and 235 (as introduced 3-14-17)  
Sponsor: Senator Steven Bieda (S.B. 234)  
Senator Rebekah Warren (S.B. 235)  
Committee: Insurance

Date Completed: 5-23-18

**CONTENT**

**Senate Bill 234 would amend the Insurance Code, and Senate Bill 235 would amend the Social Welfare Act, to require health insurance benefits or medical assistance benefits to be provided for a cranial hair prosthesis to an individual under 19 years of age with cranial hair loss as a result of a medical condition or as a result of treatment for a medical condition.**

Senate Bill 234 would apply to a health insurance policy delivered, executed, issued, amended, adjusted, or renewed in the State, or outside of the State if covering residents of Michigan.

Senate Bill 235 would apply to medical assistance benefits provided by the Department of Health and Human Services to an eligible individual.

The coverage required under each bill would not be subject to dollar limits, deductibles, or coinsurance provisions that were less favorable than those applied to any other prosthesis coverage.

The bills state that "cranial hair prosthesis" would include any human or synthetic substitute for cranial hair.

Each bill would take effect 90 days after being enacted.

Proposed MCL 500.3406u (S.B. 234)  
MCL 400.109 (S.B. 235)

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bills would affect a small percentage of the population so the fiscal impact would be relatively minimal. Senate Bill 234 would apply to private health insurance so the fiscal impact would be on State and local governments that purchase health insurance for employees. Senate Bill 235 would increase costs for the State's Medicaid program.

The two conditions that appear to be most likely to lead to a need for a cranial hair prosthesis would be alopecia totalis and chemotherapy treatment. The prevalence of alopecia is about 0.1% with a large minority of the cases occurring in children. Alopecia totalis makes up a minority of all alopecia cases. Applying those percentages to the State's child population suggests that alopecia totalis affects about 1,000 children in the State at any given time. The

described hair therapy would likely cost at most a few hundred dollars. The legislation also would affect children with complete hair loss due to chemotherapy treatment for cancer. It is not clear how many children with cancer would experience complete hair loss due to chemotherapy, though the number likely is not more than a few thousand.

About 40% of the children in the State are on Medicaid, so the maximum likely cost of Senate Bill 235 would be in the range of \$500,000 Gross, \$175,000 GF/GP, assuming a 100% take-up rate for hair prosthesis services. A much smaller percentage of children in the State are covered by health insurance policies for parents who work in State and local government. The increase in costs for State and local government health insurance coverage due to Senate Bill 234 would be nominal.

Fiscal Analyst: Steve Angelotti

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.