

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	SB 1742
Version:	FA1
Request Number:	11025
Author:	Rep. Roe
Date:	4/22/2024
Impact:	OMES: \$230,000

Research Analysis

The floor substitute for SB 1742 requires health benefit plans covering contraceptive drugs to provide enrollees with a 3-month supply upon initial prescription and a 12-month supply for refills. Enrollees are limited to one 12-month supply per year, but they have the option to request smaller supplies.

The definition of *contraceptive drugs* refers to all USDA-approved drugs used to prevent pregnancy, but it does not include drugs that could be used to terminate a pregnancy.

CHANGES IN FLOOR SUBSTITUTE FROM ENGROSSED VERSION:

The floor substitute excludes medications that could be used to terminate an existing pregnancy from the definition of *contraceptive drugs*.

Prepared By: Autumn Mathews

Fiscal Analysis

SB 1742 requires health benefit plans to offer coverage allowing enrollees to obtain a three-month supply of contraceptive drugs at once followed by a twelve-month supply of the same drug each time thereafter; regardless of whether the participant changes their health plan or remains within the same plan.

Officials with the Office of Management and Enterprise Services (OMES) estimate a fiscal impact of Two Hundred Thirty Thousand Dollars (\$230,000) annually to the plan based on current utilization, disenrollment rates, and percentage of contraceptive users. One Hundred Eighty Thousand Dollars (\$180,000) is estimated for medication costs and an additional Fifty Thousand Dollars (\$50,000) for prior authorization and administrative costs. OMES provided the following analysis.

"Per the bill, there is language allowing a plan participant to receive a 12-month supply of contraceptives.

1. Today, contraceptives are dispensed under ACA rules at \$0 cost-share, meaning the plan and participant will not experience a change in participant contributions if they receive one month or 12 months.
2. The cost to the plan would come from participants leaving the plan part-way through the benefit period. A participant may receive 12 months of contraceptives in January, leave

the plan in May, and there would be no more payroll premiums collected on that participant.

3. The updated substitute on 2/12/24 would initially allow a three-month limit, then provide up to 12 months total in the 12-month period, regardless of whether the participant changes their health plan or remains within the same plan."

OHCA verified this measure pertains to the Medicaid managed care plans, however, do not anticipate any fiscal implications for the state.

Therefore, the fiscal impact for the state due to the passing of this measure is Two Hundred Thirty Thousand Dollars (\$230,000)

The floor substitute does not affect the fiscal impact of this measure, as it clarifies the definition of *contraceptive drugs*.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.