

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB1416
Version:	INT
Request Number:	10324
Author:	Rep. West (Josh)
Date:	2/4/2025
Impact:	\$3,000,000

Research Analysis

HB 1416, as introduced, allows an insurer to adopt or amend a state preferred drug list (PDL) to offer a group insurance plan. Insurers must ensure that non-opioid drugs approved by the FDA for pain management are not discouraged in coverage compared to opioids. The measure applies to FDA-approved non-opioid drugs immediately upon approval, regardless of whether they have been reviewed for inclusion in the PDL, and extends to drugs provided under contracts with pharmacy benefits managers. Insurers must also provide reimbursement to healthcare providers and hospitals for non-opioid treatments offered under group insurance plans.

Prepared By: Autumn Mathews

Fiscal Analysis

HB 1416 requires a group insurance plan to provide a Preferred Drug List (PDL) with non-opioid drugs used for pain management on equal terms with opioids, so they are not disadvantaged or discouraged. In addition, the measure requires coverage for non-opioids approved by the FDA, regardless of the PDL inclusion.

Officials from the Employees Group Insurance Division estimate the impact on the HealthChoice plan to cost up to Three Million Dollars (\$3,000,000) annually if novel treatments are approved and gain significant utilization. Officials stated "This number could be much lower if the argument is made that existing 'non-opioid' treatments (Tylenol, Toradol) are already included, as the bill allows for priority placement of non-opioids above other non-opioids. There are new treatments in the non-opioid being approved/considered for approval that aim to reduce pain without the addictive risk profile. These medications will likely be very expensive versus traditional non-opioid treatments (Advil, Tylenol). Depending on the uptake in the market, long-term safety and other variables, these medications could have significant longer-term financial impact on the plan, as a class."

Therefore, the fiscal impact for the FY-26 state budget is anticipated to be \$3,000,000.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.

