

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB1416
Version:	CS
Request Number:	12964
Author:	Rep. West (Josh)
Date:	2/27/2025
Impact:	HealthChoice Plan: \$3,000,000

Research Analysis

The committee substitute for HB 1416 allows an insurer to adopt or amend a state preferred drug list (PDL) to offer a group insurance plan. The measure applies to FDA-approved, non-opioid drugs that have been approved for coverage and such drugs provided under contracts with pharmacy benefits managers. Insurers must ensure that non-opioid drugs approved for pain management are not discouraged in coverage compared to opioids.

Prepared By: Autumn Mathews

Fiscal Analysis

The committee substitute to HB 1416 requires a group insurance plan to provide a Preferred Drug List (PDL) with non-opioid drugs for pain management on equal terms with opioids, so they are not disadvantaged or discouraged.

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, "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.