

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1283

(Delegate Kelly, *et al.*)

Health and Government Operations

Finance

Health Insurance - Prescription Contraceptives - Coverage for Single Dispensing

This bill requires an insurer, a nonprofit health service plan, and a health maintenance organization (collectively known as carriers) that provides coverage for contraceptive drugs and devices to provide coverage for a single dispensing of *up to a 12-month* supply of prescription contraceptives. The bill may not be construed to require a provider to prescribe, furnish, or dispense 12 months of contraceptives at one time. **The bill takes effect January 1, 2020, and applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.**

Fiscal Summary

State Effect: Any impact on the State Employee and Retiree Health and Welfare Benefits Program is anticipated to be minimal, as discussed below. Revenues are not affected.

Local Effect: Potential increase in expenditures for local governments that purchase fully insured health benefit plans. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law: Under Chapters 436 and 437 of 2016 (The Contraceptive Equity Act), carriers must provide coverage for a single dispensing of a *six-month* supply of prescription contraceptives. This requirement does not apply to the first two-month supply of prescription contraceptives dispensed under the initial prescription or any subsequent prescription for a contraceptive that is different than the last contraceptive

dispensed. Carriers may provide for a smaller supply if a six-month supply would extend beyond the plan year.

The bill repeals this language and instead requires carriers to provide for a single dispensing of *up to a 12-month* supply of prescription contraceptives with no exceptions. Whenever carriers increase the copayment for a single dispensing of *up to a 12-month* supply of prescription contraceptives, the carriers must proportionately increase the dispensing fee paid to the pharmacist.

Background: Self-insured employer plans are exempt from State health insurance mandates and requirements under the federal Employee Retirement Income Security Act. The Department of Budget and Management (DBM), therefore, advises that the State Employee and Retiree Health and Welfare Benefits Program is generally not subject to these mandates because all but one of its medical plans are self-insured; Kaiser is fully insured and subject to mandates. However, under the program, prescription contraceptive drugs (through the prescription plan) and prescription contraceptive devices (through the medical plan) are currently covered with no copayment. Prescriptions for contraceptives can be written for 12 months, but they are generally filled in 90-day supplies (the industry standard) rather than the 6 months required under the Contraceptive Equity Act. DBM advises that this is done in part to reduce the fiscal impact that occurs in the event the participant is no longer covered under the program within the 6 months.

State Expenditures: Although not required to follow health insurance mandates, the State Employee and Retiree Health and Welfare Benefits Program generally does. Thus, this estimate is based on the assumption that the program will follow the bill's requirements. As prescription contraceptive drugs and devices are already covered with no copayment under the program, the anticipated cost to the program to provide up to a 12-month rather than 90-day supply of prescription contraceptives is minimal.

Additional Comments: Senate Bill 774/House Bill 994 of 2018 require Medicaid and the Maryland Children's Health Program to provide for a single dispensing of a *12-month* supply of prescription contraceptives.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History:
mm/ljm

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