

## **HB 427, CONTRACEPTIVE EQUITY AMENDMENTS, (Lesser, R)**

**Anticipated Fiscal Impact: \$408,946**

**\$1.67 Per Employee Per Month**

### **Summary**

This bill would require health insurers to cover all FDA-approved contraceptive drugs, devices, and products with no member cost sharing. The federal Affordable Care Act currently requires at least one contraceptive type in each category of contraceptives to be covered without cost sharing with a valid prescription from a treating provider. This bill would expand the Affordable Care Act preventive requirements to also require coverage without member cost sharing for all FDA-approved contraceptives, over-the-counter contraceptives (such as condoms), coverage of sterilization procedures, and dispensing a 12-month supply of contraception. We would anticipate costs of at least \$408,946 to the State Employee Health Plan from these changes or \$1.67 per employee per month

### **Assumptions and Analysis**

- 1. Male Contraceptives:** Condoms are not currently covered by PEHP. Planned Parenthood reports that 450,000,000 condoms are sold in the US each year. Utah represents 1% of the US population and state employees represents 0.21% of the Utah population. We assume that condom sales are normally distributed, that condoms will be dispensed from existing retail network pharmacies, and that 90% of condom sales would be billed to PEHP. This results in an estimated cost of \$10,631. We assume that utilization of items already covered for females (e.g. spermicide) would not increase. For purposes of our analysis, we also assume that coverage will not change current condom use or result in fewer births.
- 2. Coverage of a Second One-Year Supply of Contraceptives.** Since cost sharing is not required, we assume many members will opt to receive a 12-month supply. However, changes to contraception dose or brand are

- common. We assume that under the bill, 20% of members would change their prescription midyear and request a second year's supply. This results in an estimated cost of \$98,702.
3. **Coverage of All Contraceptive Drugs as Prescribed by Provider.** Currently, a small number of brand name drugs are used in place of generic equivalents for contraceptives. The bill would require PEHP to cover all brand name drugs as determined by the provider with no member cost sharing. We believe this could significantly increase costs to the State Employee Health Plan from direct marketing of brand names to patients and providers. Conservatively, we estimate a cost of at least \$88,980.
  4. **Elimination of Cost Sharing for Sterilization Procedures.** Sterilization procedures are covered for males and females. The bill removes member cost sharing for these services. Based on current utilization, this results in an estimated cost of \$117,231.
  5. **Coverage of Follow-up Contraceptive Services.** Current coverage provides a "preventive" visit to a provider every year with no out-of-pocket costs. The bill allows for a follow-up visit related to contraception without cost sharing. Based on current utilization, the cost of this would be \$87,276. This amount could go significantly higher since any mention of contraception during a follow up visit would allow that visit to qualify for no member cost sharing.
  6. **Coverage of Contraceptive Counseling Services by Pharmacists.** Pharmacies are currently paid dispensing fees. The bill requires payment for counseling services to pharmacists who prescribe contraceptives, which makes up about 10% of current prescriptions. Paying for these counseling services would result in an estimated cost of \$11,123.