

State Corporation Commission
2004 Fiscal Impact Statement

1. Bill Number HB469

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Van Yahres

3. Committee Commerce and Labor

4. Title Insurance; coverage for prescription contraceptives.

5. Summary/Purpose: Requires insurers to offer and make available coverage for prescribed drugs or devices approved by the U. S. Food and Drug Administration (FDA) for use as a contraceptive if the policy, contract or plan covers prescription drugs on an outpatient basis. The bill revises the section to require that coverage for the drugs or devices be included. The bill applies to insurers that issue individual or group accident and sickness policies providing hospital, medical and surgical or major medical coverage on an expense incurred basis; corporations providing subscription contracts; and health maintenance organizations (HMOs) providing health care plans. Section 38.2-3407.5:1 is not to be construed to require coverage for prescription drugs in a contract, policy or plan that does not otherwise cover prescription drugs; preclude the use of closed formularies provided the formularies include oral, implant and injectable contraceptive drugs, intrauterine devices and prescription barrier methods; or require coverage for experimental contraceptive drugs not approved by the U. S. FDA. The section does not apply to short term travel, accident only, limited or specified disease policies, or contracts designed for issuance to persons eligible for Medicare, or other similar coverage under state or government plans, or short-term nonrenewable policies of no more than 6 months. The current section applies to contracts, policies, or plans delivered, issued for delivery or renewed in VA on or after July 1, 1997.

6. No Fiscal Impact on the Bureau of Insurance

7. Budget amendment necessary: No

8. Fiscal implications: None on the Bureau of Insurance

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: The Bureau of Insurance pointed out to Delegate Van Yahres that because existing Code (as opposed to new code being created) is being amended (as opposed to new code being created), the effective date wording needs to be clarified so that there is no confusion regarding the fact that the coverage was only required to be offered (not mandated) until the July 1, 2004 effective date of this bill. The Bureau suggested the following amendment: at Line 39, after "1997"

Insert

, except with respect to the requirement that a contract, policy, or plan include coverage for prescription contraceptive drugs and devices, which shall be applicable only to contracts, policies or plans delivered, issued for delivery or renewed in this Commonwealth on and after July 1, 2004.

11. **Other comments:** HB 469 was properly referred to the Special Advisory Commission on Mandated Health Insurance Benefits. The same proposal was unanimously rejected by the Special Advisory Commission when it was last reviewed it in 1996.

Date: 01/25/04 / V. Tompkins

cc: Secretary of Health and Human Resources