

**Department of Planning and Budget**  
**2021 Special Session I Fiscal Impact Statement**

**1. Bill Number:** SB1269

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

**2. Patron:** McPike

**3. Committee:** Passed Both Houses

**4. Title:** Health insurance; authorization of drug prescribed for the treatment of a mental disorder.

**5. Summary:** Requires that any provider contract between a carrier and a participating health care provider with prescriptive authority, or its contracting agent, contain provisions that require, when a carrier has previously approved prior authorization for any drug prescribed for the treatment of a mental disorder listed in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association, no additional prior authorization can be required if (i) the drug is a covered benefit, (ii) the prescription does not exceed the U.S. Food and Drug Administration-labeled dosages, (iii) the prescription has been continuously issued for no fewer than three months, and (iv) the prescriber performs an annual review of the patient to evaluate the drug's continued efficacy, changes in the patient's health status, and potential contraindications. The bill provides that this requirement does not prohibit a carrier from requiring prior authorization for any drug that is not listed on its prescription drug formulary at the time the initial prescription is issued. The bill also provides that such provider contracts contain provisions requiring a carrier to honor a prior authorization issued by the carrier for a drug regardless if the drug is removed from the carrier's prescription drug formulary after the initial prescription for that drug is issued. Under the bill, provisions related to provider contracts and prior authorization will apply to the state insurance health plan.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Fiscal impact is indeterminate.

**8. Fiscal Implications:** The impact of the proposed legislation is indeterminate.

The Department of Human Resource Management (DHRM) indicates that the provisions of the bill would no longer allow ongoing clinical edits on refills for drugs prescribed for the treatment of a mental disorder for the state employee health insurance plan. However, any potential impact to the state employee health insurance plan is indeterminate.

The bill removes the current provision in § 38.2-3407.15:2. E.2. of the Code of Virginia, which provides that this section of code shall not apply to the state employee health insurance plan. Requiring the state employee health insurance plan to be compliant with the

existing provisions of § 38.2-3407.15:2 is not expected to have a fiscal impact, as the state plan is already compliant with the current provisions of § 38.2-3407.15:2, according to DHRM.

According to the State Corporation Commission, the proposed legislation is not expected to have a fiscal impact on the SCC.

**9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission, Department of Human Resource Management.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This bill is a companion to House Bill 2008.