

## Department of Planning and Budget 2021 Fiscal Impact Statement

**1. Bill Number:** HB2008

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

**2. Patron:** Heretick

**3. Committee:** Labor and Commerce

**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, provide that no additional prior authorization is required by the carrier when any 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 if the prescription (i) is a covered benefit, (ii) does not exceed the U.S. Food and Drug Administration-labeled dosages, (iii) 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 for the drug is issued. The bill also requires 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.

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

**7. Fiscal Impact Estimates:** Preliminary; no state fiscal impact.

**8. Fiscal Implications:** The proposed legislation is not expected to have a state fiscal impact.

It is assumed that the bill's requirements are not applicable to the state employee health insurance plan, pursuant to § 38.2-3407.15:2. E.2.

According to the State Corporation Commission (SCC), 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:** See Item 11, below.

**11. Other Comments:** Section 38.2-3407.15:2, paragraph E.2., states that the provisions of this code section do not apply to the state employee health insurance plan established pursuant to § 2.2-2818. However, § 2.2-2818.2. provides that “any law imposed under Title 38.2 that becomes effective on or after July 1, 2009, that provides for an insurance mandate for policies of accident and health insurance shall also apply to health coverage offered to state employees pursuant to § 2.2-2818.” Therefore, if the intention is to exempt the state employee health insurance plan from the proposed legislations’ requirements, it may also be desirable to list this as an exemption under § 2.2-2818.2. A.

Date: 1/29/2021