

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

**1. Bill Number:** HB819

House of Origin    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
 Second House    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Mundon King

**3. Committee:** Appropriations

**4. Title:** Health insurance; coverage for contraceptive drugs and devices.

**5. Summary:** Requires health insurance carriers to provide coverage, under any health insurance contract, policy, or plan that includes coverage for prescription drugs on an outpatient basis for contraceptive drugs and contraceptive devices, as defined in the bill, approved for use as prescribed products or for over-the-counter use. The bill prohibits a health insurance carrier from imposing upon any person receiving contraceptive benefits pursuant to the provisions of the bill any copayment, coinsurance payment, or fee, except in certain circumstances. The provisions of the bill apply to health insurance contracts, policies, or plans delivered, issued for delivery, or renewed on and after January 1, 2025.

**6. Budget Amendment Necessary:** Yes, Item 469 for the general fund cost of health insurance premiums.

**7. Fiscal Impact Estimates:** Preliminary – see Item 8.

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	\$0	0.00	-
2025	\$981,500	0.00	GF
2025	\$981,500	0.00	NGF
2026	\$981,500	0.00	GF
2026	\$981,500	0.00	NGF

**8. Fiscal Implications:** The proposed legislation is expected to have a fiscal impact on the state health plan. According to the Department of Human Resource Management, the estimated annual fiscal impact to the state health plan is \$1,963,000 to provide coverage for contraceptive drugs and devices.

According to the State Corporation Commission (SCC), qualified health plans (QHPs) sold through the Health Benefit Exchange are not impacted by the provisions of this bill. Section 38.2-6506 A 1, Code of Virginia, states that if services are identified in addition to the ones contained in the state's Benchmark Plan, QHPs sold through the Exchange would not be required to cover these services. However, the Centers for Medicare & Medicaid Services (CMS) has cautioned that state standards must be applied uniformly within a market for all individual and small group plans according to the Affordable Care Act. This requirement

could cause the state to defray costs of this benefit for QHPs, with the SCC's Bureau of Insurance administering that defrayal.

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

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

**11. Other Comments:** The fiscal impact statement has been revised to include additional information from the SCC.

This bill is identical to SB 238, as introduced.