

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** HB819-H1

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

2. **Patron:** Mundon King

3. **Committee:** Commerce and Labor

4. **Title:** Health insurance; coverage for prescription contraceptives.

5. **Summary:** The substitute 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 any prescribed contraceptive drug or contraceptive device. 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. 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:** See Item 8.

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 is \$1,963,000 to provide coverage for contraceptive drugs and devices. The fiscal impact includes approximately \$1,812,441 for medical devices and \$150,559 for contraceptives, including progestin implants and intrauterine devices (IUDs). The employer costs are approximately 50 percent of the general fund impact and 50 percent of the nongeneral fund impact.

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: This bill is similar to SB 238-ES1.