

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 5, 2017

TO: Honorable Larry Phillips, Chair, House Committee on Insurance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1161** by Davis, Sarah (Relating to health benefit plan coverage of prescription contraceptive drugs.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to health benefit plan coverage of prescription contraceptive drugs. The bill would require plans to provide up to a three-month supply of a covered contraceptive drug the first time the drug is obtained by the enrollee and subsequently the plans must provide the enrollee a twelve-month supply at one time.

The Employees Retirement System indicates that the bill would have no significant fiscal impact, as potential savings from reduced prenatal and pediatric medical costs would mitigate any increased claims costs for the contraceptives, and wastage is not a concern if the first prescription would be a three-month supply.

According to the Health and Human Services Commission, any cost to Medicaid would be offset by savings related to averted births and reduced costs for prescriptions provided through the Healthy Texas Women program, which are not eligible for federal matching funds. Costs to the Children's Health Insurance Program (CHIP) would be minimal because coverage of prescription contraceptives is limited to uses other than the prevention of pregnancy.

According to the Teacher Retirement System, the bill would result in minimal increased costs to the ActiveCare plan that would result in an increased costs to plan members.

This analysis assumes that any costs associated with implementing the provisions of the bill at the University of Texas System would be covered using existing resources.

Texas A&M University System and the Department of Insurance indicate that the provisions of the bill would not have a significant fiscal impact.

The bill would take effect September 1, 2017, but only apply to plans that are delivered, issued for delivery, or renewed on or after January 1, 2018.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: UP, AG, NV, KFa, TSI, ESC