Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version: HB 17
Fiscal Note Number:
() Publish Date:

Identifier: HB017-DOH-MS-1-17-2023
Title: CONTRACEPTIVES COVERAGE:INSURE;MED ASSIST
Sponsor: CARRICK
Requester: PREFILE RELEASED

Department: Department of Health
Appropriation: Medicaid Services
Allocation: Medicaid Services
OMB Component Number: 3234

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2024**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Fund Source (Operating Only)

None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2024) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No

(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/24

Why this fiscal note differs from previous version/comments:

Initial version.

Prepared By: Terra Serpette — Phone: (907)465-6333
Division: Medicaid Services — Date: 01/27/2023
Approved By: Josie Stern, Assistant Commissioner — Date: 01/27/2023
Agency: Department of Health

FISCAL NOTE ANALYSIS

STATE OF ALASKA **BILL NO.** HB 17
2023 LEGISLATIVE SESSION

Analysis

This bill requires Alaska Medicaid to pay for initial dispensing of prescription contraceptives; 12-month supplies of prescription contraceptives, per refill; over-the-counter (OTC) and prescription emergency contraceptives; and associated exams and other services necessary to prescribe, dispense, insert, or otherwise provide these covered contraceptive services. This bill stipulates that itemized reimbursement for contraceptive services is not required if the service would be reimbursable under a bundled or composite rate.

If a beneficiary previously received a prescription from a non-Medicaid enrolled provider, it would not be fillable under the Medicaid program. Department of Health cannot reimburse for prescriptions written by a non-Medicaid provider. This federal rule eliminates the ability of Medicaid to reimburse for "subsequent" refills of a prescription written by a non-Medicaid provider. The beneficiary would need to get a new prescription from a Medicaid-enrolled provider in order to be reimbursable under Medicaid.

This fiscal analysis assumes that standard Medicaid utilization management controls such as preferring specific products and promoting the use of generics would remain consistent with other drug classes. Requests for specific non-preferred or branded products would be reviewed using the standard prior authorization process. Existing electronic prior authorization capabilities would assist with expedited reviews so as to not delay care.

It is anticipated that there could be duplication of services provided due to a member losing medication or the medication becoming damaged over the 12-month period. It is likely to be minimal, and not easily quantified as to how much more frequently this would occur with longer fills. It is anticipated these costs could be absorbed within the current program funding resulting in a zero fiscal note.

Over-the-counter drug products must be prescribed by an enrolled Medicaid provider [42 CFR 455.400 et seq], thus Medicaid expenditures for covered over-the-counter drugs dispensed without a valid prescriber would not be eligible for federal matching dollars and would be funded exclusively with state dollars. Emergency contraception is an over-the-counter drug. The federal statutory definition of a Covered Outpatient Drug, 42 USC 1396r-8(k)(2), is a prescribed drug "which may be dispensed only upon prescription." It is anticipated these costs could be absorbed within the current program funding resulting in a zero fiscal note.

If the prohibition on requiring a prescription is retained, a state plan amendment may be submitted for approval consideration to reimburse for certain over-the-counter drug products, including emergency contraception, without prescription. However, if the state plan amendment is not approved, no federal matching dollars would be available for these products and reimbursement would be exclusively state funded. It is anticipated these costs could be absorbed within the current program funding resulting in a zero fiscal note.

Promulgation of associated regulations will take approximately nine to twelve months following State Plan Amendment approval by the Centers for Medicare and Medicaid Services, with implementation effective after July 1, 2024.