

Fiscal Note

State of Alaska
2024 Legislative Session

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

Identifier: HB017(HSS)amdH-DCCED-DOI-04-12-24
Title: CONTRACEPTIVES COVERAGE:INSURE;MED ASSIST
Sponsor: CARRICK
Requester: (S) Health and Social Services

Department: Department of Commerce, Community and Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

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

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates				
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services	***	***	***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	***	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	***	***	***	***	***	***

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 (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) 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? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Updated with revised analysis and the indeterminate fiscal impacts of this legislation.

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Agency: Commerce, Community, and Economic Development

Phone: (907)269-7896
Date: 04/12/2024
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

BILL NO. CSHB17(HSS)

Analysis

This bill amends AS 21.42 by adding a new section that requires a health care insurer to provide coverage for contraceptives and to provide reimbursement for a 12-month supply of contraceptives. The bill requires prescriptions for contraceptives and the services necessary to provide contraceptives be at zero cost-sharing for consumers; and expands mandates to state and municipal employee health benefit plans, Medicaid, and plans subject to Title 21. It also prohibits insurers from restricting or delaying the coverage or reimbursement including the use of medical management techniques. Insurers may incentivize the use of generic or lower cost medications or providers.

This bill amends Title 21 to provide that individual and group health care insurance plans reimburse a health care provider or dispensing entity for dispensing prescription contraceptives intended to last for a 12-month period for subsequent dispensing of the same prescription contraceptive regardless of whether the insured was enrolled in the health care insurance plan at the time of the first dispensing. The bill exempts religious employers meeting specific requirements from the obligation.

The benefits provided in this bill may exceed the ten Essential Health Benefits (EHB) under the Patient Protection and Affordable Care Act (ACA) and therefore, the State would be expected to defray the cost associated. There are two reasons why this may be the case:

- The bill's prohibition on the insurer's offsetting the costs of compliance by requiring copayments, deductibles, or other forms of cost sharing (which are allowed under the ACA for non-network medical providers or pharmacies) may result in the benefit falling outside of the EHB and therefore would become a new benefit mandate and the state would be expected to defray the costs associated with the bill.
- The bill's restriction on the use of medical management techniques (they could not be used to restrict or delay coverage or reimbursement) could also place the benefit outside of the EHB.

The Division of Insurance does not have any documentation or estimates of what these costs may be at this time, as it would first have to be determined by the insurers whether a mandate was in fact created and if so, what the costs would be for which they would seek reimbursement. At this time, the associated cost of this legislation is indeterminate.