



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Final Fiscal Note

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<b>Drafting Number:</b>	LLS 23-0342	<b>Date:</b>	August 3, 2023
<b>Prime Sponsors:</b>	Sen. Bridges; Danielson Rep. Jodeh; Weinberg	<b>Bill Status:</b>	Signed into Law
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<b>Bill Topic:</b>	<b>INSURANCE COVERAGE FOR CONTRACEPTION REQUIREMENTS</b>
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<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires state-regulated insurance plans to cover a 12-month supply of all FDA-approved contraceptives, or their therapeutic equivalent. The bill may increase state and local expenditures on an ongoing basis.

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<b>Appropriation Summary:</b>	No appropriation is required.
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<b>Fiscal Note Status:</b>	The fiscal note reflects the enacted bill.
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## Summary of Legislation

Under current law, state-regulated insurance plans must cover a 3-month supply of contraceptives the first time the prescription is filled and a 12-month supply for refills. The bill requires state-regulated insurance plans to cover a 12-month supply of all FDA-approved contraceptives, or their therapeutic equivalent, when permitted by the prescription and supply, without imposing prior authorization requirements. The bill specifies that dispensing fees must be paid per unit. Additionally, the plan must include point-of-sale coverage for over-the-counter contraceptives without requiring a prescription, prior authorization, or step therapy. The Commissioner of Insurance must establish corresponding reporting requirements.

## Actuarial Analysis

An actuarial analysis of this bill proposal was conducted by an independent contractor, per the requirements of Senate Bill 22-040. The report may be obtained in its entirety on the Division of Insurance website at the following link: <https://doi.colorado.gov/sb-22-040-actuarial-review-ofhealth-benefit-coverage-legislative-proposals>.

## **State Expenditures**

**Department of Regulatory Agencies.** The Division of Insurance in the Department of Regulatory Agencies can incorporate the changes under the bill as part of its regular rate and form review process for insurance plans.

**State employee health insurance.** To the extent that the state employees change their purchasing behavior for contraceptives based on the supply options required by the bill, health care payments by state employee insurance plans could increase or shift between years, which could ultimately affect premiums paid by the state. Any impact on the cost of state employee health insurance, managed by the Department of Personnel and Administration, will be adjusted for through the annual budget process.

**Department of Health Care Policy and Financing.** Similar to the impacts listed above, costs under the Children's Basic Health Plan (CHP+) may initially increase to issue larger supplies of contraceptives, and then decrease in the future as supplies are used longer. This may result in costs being shifted between fiscal years. Additionally, CHP+ may see increased costs from providing members who will be disenrolled within 3 months with a 12-month supply of contraceptives. Disenrollments happen more frequently under CHP+ than under private insurance. Given the limited number of CHP+ members medically eligible for contraceptives, this impact is expected to be minimal.

## **Local Government**

Similar to the state, the bill potentially affects costs paid by local governments that provide employee health insurance. Any impact is assumed to be minimal.

## **Effective Date**

The bill was signed into law by the Governor on May 30, 2023, and takes effect on August 7, 2023, assuming no referendum petition is filed.

## **State and Local Government Contacts**

Health Care Policy and Financing

Regulatory Agencies

Personnel