



**Colorado
Legislative
Council
Staff**

HB17-1186

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0039 **Date:** September 14, 2017
Prime Sponsor(s): Rep. Pettersen; Landgraf **Bill Status:** Signed into Law
 Sen. Coram **Fiscal Analyst:** Bill Zepernick (303-866-4777)

BILL TOPIC: HEALTH COVERAGE PRESCRIPTION CONTRACEPTIVES SUPPLY

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Potential increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing potential expenditure increase.		

Summary of Legislation

The bill requires health insurance plans that are mandated to cover contraceptives to provide reimbursement to an in-network provider or dispensing entity for:

- a 3-month supply of a prescription contraceptive the first time it is dispensed to a covered person; and
- a 12-month supply any time the same prescription is subsequently redispensed, or until the plan coverage end, whichever is shorter.

The plan must also pay for a vaginal contraceptive ring that is intended to last for three months.

State Expenditures

The bill impacts state health care spending as described below.

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. Given that there are many factors affecting insurance premiums, and the fact that purchasing larger supplies can have conflicting impacts on costs (e.g., savings from bulk discounts vs. higher up-front costs and potential increases in unused medication), any impact on the cost of state employee health insurance, managed by the Department of Personnel and Administration, is assumed to be minimal. 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.

Children's Basic Health Plan. 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. Spending on contraceptives to teenage children and post-partum women eligible for CHP+ represents less than 0.2% of total program spending. Therefore, any impact on CHP+ costs will be minimal.

Local Government Impact

Similar to the State Expenditure impacts discussed above, 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 June 5, 2017, and takes effect January 1, 2019, assuming no referendum petition is filed.

State and Local Government Contacts

Health Care Policy and Financing
Information Technology
Personnel

Human Services
Law
Regulatory Agencies