

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB64

Patron: Cole, J.G.

Bill Title: Health insurance; coverage for speech therapy as a treatment for stuttering.

Bill Summary: Requires health insurance carriers whose health care plans include coverage for habilitative services and rehabilitative services, as such terms are defined in the bill, to provide coverage for habilitative speech therapy and rehabilitative speech therapy, as such terms are defined in the bill, as a treatment for stuttering. The bill provides that such coverage is not (i) subject to any maximum annual benefit limit, including any limits on the number of visits an insured may make to a speech-language pathologist; (ii) limited based on the type of disease, injury, disorder, or other medical condition that resulted in the stuttering; or (iii) subject to utilization review or utilization management requirements, including prior authorization or a determination that the habilitative or rehabilitative speech therapy services are medically necessary. The bill applies to health care plans delivered, issued for delivery, or renewed on and after January 1, 2027.

Budget Amendment Necessary: Yes

Items Impacted: 469

Explanation: Additional general fund amounts would be needed to fund additional costs to the Health Insurance Fund. The amount required is currently unknown and would depend on the number of members seeking treatment.

Fiscal Summary: Preliminary - This legislation will likely result in additional costs to the Health Insurance Fund, which pays health insurance claims for state employees. The Health Insurance Fund is funded through a mix of premiums charged to state employees, the general fund, and nongeneral fund sources. Based on amounts discussed in this Fiscal Impact Statement, the general fund impact could range between \$105,000 assuming a 20 percent utilization rate and \$423,000 assuming an 80 percent utilization rate.

Fiscal Analysis: The Department of Human Resource Management (DHRM) indicates that this legislation would provide a new covered service to employees on the state employee health plan. Additional costs for treatment will be paid out of the Health Insurance Fund (HIF), which is funded through premiums charged to state employees and their employing agencies. Agencies use general fund, nongeneral fund, or some combination of the two to make these premiums, depending on the fund sources available to the agency and from which source the employee is regularly paid.

DHRM indicates that there are approximately 14,800 members of the state employee health plan who are between the ages of 2 and 10. DHRM's actuary assumed a four percent prevalence of stuttering among this population, which equates to 592 members potentially eligible for treatment. A course of treatment for an individual is assumed to be \$2,100 for a year, assuming 21 sessions at \$100 per session.

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The total potential impact will depend on how many eligible members pursue treatment. If only 20 percent seek treatment, the total impact would be \$248,640. If 80 percent seek treatment, the total impact would be \$994,560. A portion of these costs, approximately 15 percent, would be paid by members of the state employee health plan, either through co-pays, co-insurance, or increased premiums. The remaining 85 percent would be charged to state agencies through higher premiums, which are currently paid 50 percent from the general fund and 50 percent from nongeneral fund sources. Increased health insurance premiums would require additional general fund appropriation be provided to state agencies.

For illustrative purposes and using the 80 percent utilization scenario, \$149,184 of the total impact would be paid by state employees, \$422,688 would be paid by the general fund, and \$422,688 would be paid by nongeneral funds.

Other: None.