

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

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ORIGINAL

Bill Number: HB516 **Patron:** Martinez
Bill Title: Health insurance; coverage for non-opioid prescription drugs.

Bill Summary: Prohibits a health insurance carrier from imposing any cost-sharing, prior authorization, step therapy, or other limitation on coverage of a covered non-opioid drug approved by the U.S. Food and Drug Administration for the treatment or management of pain that is more restrictive or less favorable to the enrollee relative to a covered opioid drug approved by the U.S. Food and Drug Administration for the treatment or management of pain.

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 actual costs incurred as a result of this legislation.

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.

Fiscal Analysis: This bill prohibits health insurance plans from imposing any cost-sharing, prior authorization, step therapy, or other limitation on coverage of a covered non-opioid drug approved by the U.S. Food and Drug Administration for the treatment or management of pain that is more restrictive or less favorable to the enrollee relative to a covered opioid drug approved by the U.S. Food and Drug Administration for the treatment or management of pain. Per the Department of Human Resource Management (DHRM), this will affect the state employee health plan by moving certain prescription drugs from a higher Tier 3 status, which generally have higher member co-payments or co-insurance, to a lower Tier 1 status, which generally have lower member co-payments or co-insurance. The portion of the cost no longer being paid by the member would shift to the state employee health plan. Based on current, available prescription data, DHRM estimates a potential impact of approximately \$46,000, resulting from these higher cost drugs shifting to Tier 1 status. DHRM also notes that this estimate is based on currently available prescriptions, and that future prescriptions could result in additional costs.

Additional costs for such prescriptions 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. A portion of these costs, approximately 15 percent, would be paid by members of the state employee health plan, either through co-

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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.

Other: None.