

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

Fiscal Analysis: The Department of Human Resource Management (DHRM) indicates that this legislation will have an impact on the state employee health plan.

The bill adds a condition that insurers which include coverage for drugs prescribed and FDA-approved for the treatment of cancer or diseases of the blood must allow at the patient's discretion (i) Provider-administered drugs for the treatment of cancer and diseases of the blood to be dispensed by an in-network treating provider consistent with provider agreement; (ii) Provider-administered drugs for the treatment of cancer and diseases of the blood to be dispensed by an in-network treating provider when there is a documented delay of at least three days in the delivery of a medication from the designated specialty pharmacy; and (iii) Self-administered drugs for the treatment of cancer and diseases of the blood to be sent to the pharmacy of the patient's choosing. DHRM expects some members receiving treatment for such diseases could shift to receiving treatment in a setting that may have different reimbursement rates under existing provider and pharmacy agreements, which could result in costs shifting to the state health plan. As an example, if five percent of such costs shifted, that would lead to an additional \$537,600 of costs to the state employee health plan.

DHRM indicates that the bill may also impact a current contractual program with one of the health plan's carriers. That program requires some prescriptions to be filled via specific means, which would be prohibited under the bill. The Commonwealth also receives medical rebates as a result of participation in this program. The loss of such rebates and plan savings associated with directing members to these specific fulfillment sites is estimated to cost the health plan \$8.2 million.

Additional costs incurred from these changes 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-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.