

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

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ORIGINAL

Bill Number: SB361-H1

Patron: Carroll Foy

Bill Title: Health insurance; coverage for contraceptive drugs and devices.

Bill Summary: Requires health insurance carriers to provide coverage, under any health insurance contract, policy, or plan that includes coverage for prescription drugs on an outpatient basis, for contraceptive drugs and contraceptive devices, as defined in the bill, including those available over-the-counter, with or without a prescription. The bill prohibits a health insurance carrier from imposing upon any person receiving contraceptive benefits pursuant to the provisions of the bill any copayment, coinsurance payment, or fee, except in certain circumstances.

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 legislation requires contraceptive drugs and devices currently available over-the-counter to be covered by a health insurance plan. Per the Department of Human Resource Management (DHRM), the state employee health plan does not currently cover over-the-counter medications unless there is an associated prescription. It is unknown how many such over-the-counter purchases would shift to being covered by the state employee health plan, but DHRM estimates a cost impact of approximately \$338,000, representing current estimated over-the-counter contraceptive purchases shifting to becoming a covered benefit.

Additionally, this legislation would require that such coverage come at no cost to the plan member, which prohibits any deductibles, co-payments, or co-insurance charges for both prescriptions contraceptives and over-the-counter contraceptives. Per DHRM, state employee health plan members spend approximately \$450,000 on such costs currently for these prescriptions. These costs would shift to the state employee health plan.

The estimated combined impact of these provisions to the state employee health plan is \$788,000. This amount could be higher or lower, depending on actual utilization.

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Additional costs for such costs 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. As this legislation precludes the charging of co-payments or co-insurance to cover these benefits, the impact will mostly impact premiums.

Other: This bill is identical to HB1182-E, as passed by the House of Delegates.