

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

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ORIGINAL

Bill Number: SB257-H1

Patron: Favola

Bill Title: Health insurance; coverage for prescription and nonprescription opioid antagonists.

Bill Summary: Requires each health insurer, corporation providing health care subscription plans, and health maintenance organization whose policy, contract, or plan includes coverage for prescription drugs to include coverage for at least one opioid antagonist used for overdose reversal dispensed pursuant to an oral, written, or standing order of a prescriber shall ensure that cost-sharing for any opioid antagonist used for overdose reversal is included on the lowest cost tier of the insurer's, corporation's, or health maintenance organization's prescription drug formulary. The bill provides that such coverage shall be exempt from any prior authorization or step therapy requirement on coverage of benefits.

Budget Amendment Necessary: Unclear – see **Items Impacted:** 469
Fiscal Analysis

Explanation: The bill contains provisions that appear to conflict, which will affect the fiscal impact analysis.

Fiscal Summary: Preliminary – See Fiscal Analysis.

Fiscal Analysis: This legislation requires coverage for at least one opioid antagonist used for overdose reversal dispensed pursuant to an oral, written, or standing order of a prescriber, but also states that health plans shall ensure that cost-sharing for any opioid antagonist used for overdose reversal is included on the lowest cost tier of the insurer's, corporation's, or health maintenance organization's prescription drug formulary. [Emphasis added]. These two provisions appear to be in conflict.

Per the Department of Human Resource Management (DHRM), there would be a cost to the state employee health plan if the plan were required to provide coverage to any opioid antagonist used for overdose reversal which could include over-the-counter medications. DHRM indicates that if the intent is to require that at least one prescription opioid antagonist used for overdose reversal is required and at least that prescription is included on the lowest cost tier of the plan's prescription coverage, there would not be a fiscal impact.

If there are additional expenses for such costs, they 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

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nongeneral fund sources. Increased health insurance premiums would require additional general fund appropriation be provided to state agencies.

Other: A technical amendment is recommended to clarify if “any” opioid antagonist used for overdose reversal are required to be included on the lowest cost tier of a health plan’s coverage, or if that provision only applies to the “at least one” opioid antagonist used for overdose reversal selected for coverage by the health plan.

The introduced version of this legislation was identical to HB795, as introduced. The provisions of this legislation would apply to any individual or group accident and sickness insurance policy, individual or group accident and sickness subscription contract, or health care plan for health care services delivered, issued for delivery, or renewed in the Commonwealth on and after January 1, 2027.