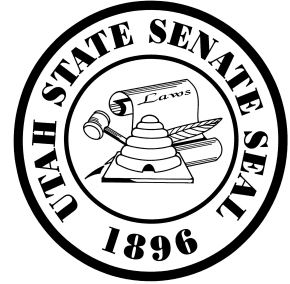




Performance Note
HB0427 - Contraceptive Equity
Amendments

Sponsor: Rep. Lesser, Rosemary T.



Performance Note Report

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Agency: Insurance Department

Funding For:

New Services or Benefit

Public Benefit:

Purpose: This bill creates a new benefit mandate for health insurance offering a health benefit plan, requiring the State to defray the costs of the newly mandated benefit as required by 45 CFR 155.170(b). The defrayal will only apply to qualified health plans offered in the individual and small employer markets. The federal Department of Health and Human Services has concluded the following benefits are considered a newly mandated benefit: (1) contraceptive methods for men, current federal requirements for contraceptive coverage currently only apply to women of reproductive capacity; (2) coverage of over the counter products, emergency contraception would also be covered without the need for a prescription; and (3) vasectomies for men.

Services: The bill will require the Insurance Department to provide a new service to administer the defrayal payments.

Expected Outcome: The expected outcome is to collect data from insurers and make the appropriate defrayal payments to insurers within 18 months of the end of the reporting calendar year.

Implementations and Resources: The bill will require time spent by the Deputy Commissioner, Health & Life Division Director, Health & Life Assistant Division Director, Finance Director, accounting technician, and the actuary. The actuary will expend the majority of hours. The Insurance Department estimated this as an ongoing cost of \$22,500.

How: The defrayal payment to an insurer will be calculated based on the sum of the total defrayable costs incurred across all affected insurers divided by the sum of the total count of individuals receiving defrayable services across all affected insurers. The result will be multiplied by the sum of the count of individuals receiving defrayable services for each affected insurer. Payments will be handled through our Administration Division and the Finance Director.

Performance Measures

Goal

Title: Contraceptive Equity

Description: Mandate defrayal for HB427, Contraceptive Equity Amendments (2021).

Collection Method: The performance will be measured based on defrayal payments made to insurers within 18 months following the end of the reporting calendar year.

| | 2021 | 2022 | 2023 |
|----------|------|------|------|
| Target | 0.00 | 0.00 | 0.00 |
| Baseline | 0.00 | 0.00 | 0.00 |

By rule, performance notes are provided by the governmental entity that will supervise the new agency or administer the new program. Performance notes are not written by the Office of the Legislative Fiscal Analyst.