

SENATE BILL REPORT

SB 5462

As Reported By Senate Committee On:
Health & Long-Term Care, February 27, 2001

Title: An act relating to contraceptive health services.

Brief Description: Requiring certain health insurance carriers to provide coverage for prescription contraceptive drugs and devices.

Sponsors: Senators Costa, Winsley, Brown, Fairley, Fraser, Kohl-Welles, Eide, T. Sheldon, Prentice, Regala, Kline, Spanel, Gardner, Patterson, Thibaudeau, Jacobsen, B. Sheldon and McAuliffe.

Brief History:

Committee Activity: Health & Long-Term Care: 2/26/01, 2/27/01 [DPS].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5462 be substituted therefor, and the substitute bill do pass.

Signed by Senators Thibaudeau, Chair; Franklin, Vice Chair; Costa, Fraser and Winsley.

Minority Report: Do not pass.

Signed by Senator Deccio.

Staff: Jonathan Seib (786-7427)

Background: In response to concerns about inequity, and the economic and social impact of some health insurance plans' failure to provide contraceptive benefits, legislation was introduced in 1998 requiring plans to provide such benefits. The legislation was referred to the Department of Health for review under the mandated health benefits review process set forth in statute.

The Department of Health issued its final report in January 1999. The report analyzes the efficacy of the mandate, and its social and financial impact, and concludes that "[t]he Legislature should enact legislation mandating contraceptive services for all state regulated health plans."

In December 2000, the federal Equal Employment Opportunity Commission found that an employer who failed to provide health insurance coverage for prescription contraceptives while covering a number of other preventive drugs, devices, and services was in violation of the federal Pregnancy Discrimination Act.

Summary of Substitute Bill: A health plan offered, issued or renewed on or after July 1, 2001 that provides coverage for prescription drugs must provide coverage for all prescription contraceptive drugs and devices approved by the U.S. Food and Drug Administration (FDA).

Plans that provide coverage for outpatient services must provide coverage for all outpatient contraceptive services. The terms and conditions of coverage for contraceptives must be the same as the terms and conditions of coverage for other prescription drugs, devices, or outpatient health care services covered under the plan.

Health plans are not prohibited from using financial incentives to encourage the use of generic or therapeutic equivalent drugs, whenever medically appropriate.

The requirements of the act apply to health carriers, the Washington State health insurance pool, fraternal benefit societies, the Basic Health Plan, plans of the Public Employee Benefits Board, and managed care plans under the Healthy Options program.

Substitute Bill Compared to Original Bill: The substitute bill allows carriers to use incentives to encourage the use of therapeutic equivalent drugs, whenever medically appropriate. The original bill only allowed generic equivalents. Language regarding formularies is removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: The bill is about equity, and would save money by reducing unintended pregnancies and their subsequent costs. Contraceptives are taken for medical reasons other than to prevent pregnancy, and the bill would apply in those situations as well. The bill would support the right of every woman to space her children as she chose. Preventing unintended pregnancies will promote the health and well-being of children.

Testimony Against: Without a conscience clause, the bill would force some organizations to violate their beliefs in order to provide health benefits to their employees. The bill would mandate coverage for abortifacients. As written, the bill would not allow health plans to use less costly therapeutic equivalent drugs.

Testified: PRO: Senator Costa, prime sponsor; Cam McIntyre, Washington State Council on Family Planning, Planned Parenthood; Lisa Stone, Pro-Choice Washington; CON: Michael Whitley, Washington State Catholic Conference; Bob Higley, WERG; Art Zoloth, Northwest Pharmacy Services.