

HOUSE BILL REPORT

HB 2022

As Reported by House Committee On: Appropriations

Title: An act relating to dispensing of birth control for medicaid enrollees.

Brief Description: Concerning dispensing contraceptive drugs for medicaid enrollees.

Sponsors: Representatives Jinkins, Morrell, Green, Cody, Hunter, Ryu, Appleton, Pollet and Roberts.

Brief History:

Committee Activity:

Appropriations: 4/5/13 [DPS].

Brief Summary of Substitute Bill

- Directs the Health Care Authority to require dispensing of contraceptive drugs with a one-year supply provided at one time.
- Requires contracts with managed care plans to allow on-site dispensing of prescribed contraceptive drugs at family planning clinics.
- Requires dispensing practices for contraceptive drugs to follow clinical guidelines.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle, Cody, Dunshee, Green, Haigh, Hudgins, Hunt, Jinkins, Kagi, Maxwell, Morrell, Pedersen, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 13 members: Representatives Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Dahlquist, Fagan, Haler, Harris, Parker, Pike, Ross, Schmick and Taylor.

Staff: Erik Cornellier (786-7116).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

Medicaid is a federal-state program that provides health care services to specified categories of low-income individuals pursuant to federal standards. Family planning services, including contraception, are covered under Medicaid. The federal government provides a 90 percent match rate for family planning services. States may request waivers from federal requirements for experimental, pilot, or demonstration projects.

Through the Take Charge waiver, the Health Care Authority (HCA) provides coverage for family planning services to state residents with family incomes below 250 percent of the federal poverty level (FPL). Services include an annual gynecological exam and pap smear, birth control pills and devices, emergency contraception, and sterilization. Pregnancy termination is not a covered service. Services are delivered by a variety of local contractors, including county health departments, community clinics, and nonprofit organizations. Approximately 34,000 people per month are enrolled in Take Charge at an annual cost of \$12.8 million.

Under the HCA's rules, prescription contraceptives are covered when dispensed in at least a three-month supply unless otherwise directed by the prescriber.

Summary of Substitute Bill:

The Legislature finds that:

- a significant percentage of pregnancies are unintended and could be averted with broader access to health care and effective contraception;
- providing broader access to contraceptives for women covered by Medicaid programs could avert up to 26 percent of unintended pregnancies and result in an estimated \$4 million in savings for health care programs; and
- research suggests that moving from 28-day dispensing of contraceptive drugs to one-year dispensing improves adherence to maintenance drugs and effective use of prescribed contraceptives.

The Legislature intends to require the HCA and all Medicaid programs to require dispensing of contraceptive drugs with up to a one-year supply provided at one time.

The HCA must require dispensing of contraceptive drugs with a one-year supply provided at one time for all Medicaid programs offered through managed care plans or on a fee-for-service basis. Patients can receive smaller supplies upon request, and prescribing physicians can instruct that patients must receive smaller supplies.

Contracts with managed care plans must allow on-site dispensing of prescribed contraceptive drugs at family planning clinics.

Dispensing practices must follow clinical guidelines for appropriate prescribing and dispensing to ensure the health of the patient while maximizing access to effective contraceptive drugs.

Substitute Bill Compared to Original Bill:

The Appropriations Committee's recommendation requires dispensing of contraceptive drugs with a one-year supply at one time instead of up to a one-year supply. It also specifies that contraceptive drugs can be dispensed in less than a one-year supply if the patient requests a lesser supply or the prescribing physician instructs that the patient must receive a smaller supply.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on April 9, 2013.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) There is an evolving story from the HCA. The bill is intended to save as much money as possible by creating good policy. This bill would lower the number of unintended pregnancies in the state. Currently, about 50 percent of births in the state are paid for through Medicaid.

The bill may need to be perfected, but the HCA stated that if the state ensured that managed care plans provide for 12-month dispensing, the state can save urgently needed money in the budget.

It is intuitive that when barriers to birth control are removed people will use it better and unintended pregnancies will decrease. The bill will substantially increase access to contraceptives for low-income women. One-year supplies give women peace of mind and control over their reproductive health and family planning, no matter what obstacles are in the way. Low-income women have multiple responsibilities. They take care of multiple family members and work in jobs with long hours. They do not have time to squeeze in multiple visits to pick up contraceptives when they are taking care of sick children, working long hours, or need to take long-distance bus rides or pay for gas to make appointments.

Unintended pregnancies increase expenses for low-income families that are struggling to make ends meet and can jeopardize financial stability and well-being.

There is a huge cost to the state from unintended pregnancies because half of the state's births are covered by Medicaid at a cost of over \$428 million. It is known that family planning saves \$4.70 for every dollar spent. The bill does not ask for money. The Medicaid program assumes that the bill can save over \$4 million. This is good for low-income women, families, and the budget.

This bill does not have any impact on cases related to Plan B.

It is important to do this as a bill instead of in the budget because a bill creates standing law.

(Opposed) None.

Persons Testifying: Representative Jinkins, prime sponsor; Jennifer Allen, Planned Parenthood; and Kate Baber, Statewide Poverty Action Network.

Persons Signed In To Testify But Not Testifying: None.