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FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/06

SPONSOR Stewart LAST UPDATED _____ HB HJM 9

SHORT TITLE Study Contraceptive Use & Insurance Coverage SB _____

ANALYST Lewis

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SJM 12

SOURCES OF INFORMATION

LFC Files

Responses Requested/Received From
 Public Regulation Commission (PRC)
 Health Policy Commission (HPC)
 Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Joint Memorial 9 requests that that the Insurance Division of the Public Regulation Commission update its 2002 survey of health insurers and report to the appropriate legislative committee no later than November 2006.

The joint memorial further requests that:

- the New Mexico Health Policy Commission collect and evaluate relevant health studies and other information and determine the benefits to the state, its people and the health insurance industry of having prescription contraceptive coverage;
- the Insurance Division ascertain if the level of knowledge of and compliance with the requirement to offer coverage of prescription contraception has increased and also determine if there are limits placed on the varieties of contraception that are covered by private insurers;
- the Insurance Division extend the focus of the 2002 study to ascertain whether prescription contraceptives are covered by insurers that offer hospital and medical expenses reimburse-

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- ment and managed care contracts;
- the Insurance Division prepare a list for public dissemination of health insurers that do not provide prescription contraceptive coverage;
- the Insurance Division use the data collected as a result of the study to begin a dialogue with insurance companies to encourage greater coverage of prescription contraceptives;
- the New Mexico Health Policy Commission and the Department of Health cooperate to prepare educational materials for the public regarding availability and access to prescription contraceptives;
- the New Mexico Health Policy Commission serve as the lead agency to coordinate efforts with the Insurance Division and provide two copies of the report generated pursuant to this memorial to the library of the Legislative Council Service; and that copies of this memorial be transmitted to the New Mexico Health Policy Commission, the Superintendent of Insurance and the Secretary of Health.

FISCAL IMPLICATIONS

No fiscal impact.

SIGNIFICANT ISSUES

The Department of Health (DOH), notes that Sections 59A-22-42 and 59A-46-44, NMSA 1978, require health insurance providers that offer a prescription benefit to offer coverage for prescription contraceptive drugs or devices. This law took effect June 15, 2001 and applies to policies issued, extended or renewed after July 1, 2001.

Among women giving live birth in 2001-2002, the New Mexico Pregnancy Risk Assessment Monitoring System (PRAMS) estimated that 43.3% of pregnancies were unintended. 43.5% of women who did not want to get pregnant were using some form of contraception, indicating a lack of access to effective contraceptive methods or failure to use a method correctly. An estimated 206,600 women in New Mexico, including 33,120 teenagers, are in need of affordable contraceptive services and supplies per year.

The Insurance Division of the Public Regulation Commission (PRC) notes that proponents of this memorial believe that the insurance industry is not making contraceptive coverage available except as mandated by law. However, the Insurance Division's 2002 survey indicated that:

- there was substantial compliance with the requirements mandated by Section 59A-22-42 and 59A-46-44; and that
- all companies writing group major medical insurance policies and managed care contracts were offering this coverage.

When asked about the "WHEREAS" statement in the memorial that, "the study found that of 589 health insurers surveyed, fewer than ten percent, or 47 insurers, offered coverage of prescription contraceptives," The Insurance Division notes that very few health insurance plans (a category that includes disability income, individual medical insurance and other coverages in addition to group major medical policies and managed care plans) include prescription drug coverage. Moreover, individual medical insurance policies are not required to offer prescription coverage.

ADMINISTRATIVE IMPLICATIONS

The Insurance Division will be required to conduct surveys and participate with the Health Policy Commission in drafting reports, but indicates that such work can be performed with existing personnel and within existing budgets, with minimal fiscal impact.

ML/mt