

**South Carolina General Assembly**  
122nd Session, 2017-2018

Download [This Version](#) in Microsoft Word format

**Bill 3809**

~~Indicates Matter Stricken~~  
Indicates New Matter

---

(Text matches printed bills. Document has been reformatted to meet World Wide Web specifications.)

COMMITTEE REPORT

March 22, 2017

**H. 3809**

Introduced by Reps. Finlay, Bernstein, Collins, Spires, J.E. Smith, Ridgeway, Clary and Dillard

S. Printed 3/22/17--H.

Read the first time February 21, 2017.

**THE COMMITTEE ON MEDICAL,  
MILITARY, PUBLIC AND MUNICIPAL AFFAIRS**

To whom was referred a Bill (H. 3809) to amend the Code of Laws of South Carolina, 1976, by adding Section 38-71-120 so as to establish that an individual or group health insurance policy providing, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

LEON HOWARD for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

## **Introduced on February 21, 2017**

### **State Expenditure**

This bill requires all individual and health insurance policies issued or renewed on or after January 1, 2018, providing coverage for contraceptive drugs to provide reimbursement for a twelve-month refill of said drugs obtained at one time by the insured after the insured has completed the initial supply of the drugs. Additionally, all Medicaid health plans issued or renewed as of January 1, 2018, are required to include the dispensing of contraceptive drugs with a twelve-month supply at one time, unless a patient requests a smaller supply or the prescribing provider instructs that the patient must receive a smaller dose. Finally, contracts with managed care plans must allow for on-site dispensing of the prescribed contraceptive drugs at family practice clinics, if available.

**Department of Insurance (DOI).** This bill would require individual and health insurance policies to be updated to reflect the change in timing for reimbursement of contraceptive drugs. DOI would be responsible for reviewing these updated policies. Because the implementation date of the bill is January 1, 2018, we anticipate DOI would be able to manage the costs of reviewing the forms within existing appropriations. Therefore, this bill is not expected to have an expenditure impact on the general fund, other funds, or federal funds for DOI.

**Public Employee Benefits Authority (PEBA).** The State Health Plan is a self-funded insurance benefits program that is not defined as an insurer pursuant to State insurance laws. Therefore, this bill will not operationally or fiscally impact PEBA and would not have an expenditure impact on the general fund, other funds, or federal funds for PEBA.

**Department of Health and Human Services (HHS).** This bill requires Medicaid health plans to include the dispensing of contraceptive drugs with a twelve-month supply, unless either the patient or the prescribing provider recommends against it. HHS indicates this bill will have an expenditure impact to the general fund and federal funds in FY 2017-18. The state share of the average per-claim cost for contraceptives is approximately \$1.95 per month of coverage after netting out anticipated rebates and the enhanced federal share for family planning services. Medicaid eligibility is proven on a per-month basis, so requiring the dispensing of annual supplies creates a risk that a member will receive an entire year's supply and then lose eligibility, increasing the number of months of Medicaid-funded contraceptives in total. The department anticipates this bill would result in the coverage of an additional 112,000 months of contraceptives annually, increasing general fund expenditures by \$218,400 for the additional months of coverage. The Medicaid match necessary to provide additional months of contraceptives would be an expenditure impact to federal funds of \$1,965,600 in FY 2017-18.

**Department of Health and Environmental Control (DHEC).** This bill

requires contracts with managed care plans to allow on-site dispensing of the prescribed contraceptive drugs at family practice clinics, if available. DHEC currently has an arrangement with SC Medicaid to allow for the dispensing and billing of up to a thirteen-cycle supply of contraceptives. Therefore, these clients are already receiving the required supply and would not have an impact on the general fund, other funds, or federal funds. Approximately 10,800 Medicaid fee-for-service members accessed contraceptives from DHEC in 2016. Of those, 3,500 received a thirteen-cycle supply.

Additionally, the bill requires all Medicaid health plans to include a twelve-month supply of contraceptive drugs. Because DHEC's current agreement allows for a thirteen-cycle supply of contraceptive drugs, a twelve-month supply may require individuals to come to a clinic every ten to eleven months rather than once a year. This increase in clinic visit increases the responsibilities of the clinic staff, however this increased work load would be managed within existing staff. Therefore, this bill would not have an expenditure impact on the general fund, other funds, or federal funds for DHEC.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

## **A BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 38-71-120 SO AS TO ESTABLISH THAT AN INDIVIDUAL OR GROUP HEALTH INSURANCE POLICY PROVIDING COVERAGE FOR CONTRACEPTIVE DRUGS MUST PROVIDE REIMBURSEMENT FOR A TWELVE-MONTH REFILL OF CONTRACEPTIVE DRUGS OBTAINED AT ONE TIME; AND BY ADDING SECTION 44-6-120 SO AS TO AUTHORIZE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO MAKE ARRANGEMENTS FOR ALL MEDICAID PROGRAMS OFFERED THROUGH MANAGED CARE PLANS OR FEE-FOR-SERVICE PROGRAMS TO REQUIRE THE DISPENSING OF CONTRACEPTIVE DRUGS WITH A TWELVE-MONTH SUPPLY PROVIDED AT ONE TIME.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 71, Title 38 of the 1976 Code is amended by adding:

"Section 38-71-120. (A) All individual or group health insurance policies issued or renewed on or after January 1, 2018, providing coverage for contraceptive drugs must provide reimbursement for a twelve-month refill of contraceptive drugs obtained at one time by the insured after the insured has completed the initial supply of the drugs, unless the insured requests a smaller supply or the prescribing provider instructs that the insured must receive a smaller supply. The insurance policy must allow the insured to receive the contraceptive drugs on-site at the provider's office, if available. Dispensing

practices required by the insurance policy must follow all clinical guidelines for appropriate prescribing and dispensing to ensure the health of the patient while maximizing access to effective contraceptive drugs.

(B) For purposes of this section, the term 'contraceptive drugs' means all drugs approved by the United States Food and Drug Administration that are used to prevent pregnancy including, but not limited to, hormonal drugs administered orally, transdermally, and intravaginally."

SECTION 2. Article 2, Chapter 6, Title 44 of the 1976 Code is amended by adding:

"Section 44-6-120. (A) The department shall require that all Medicaid health plans issued or renewed on or after January 1, 2018, to include the dispensing of contraceptive drugs with a twelve-month supply provided at one time, unless a patient requests a smaller supply or the prescribing provider instructs that the patient must receive a smaller supply. Contracts with managed care plans must allow on-site dispensing of the prescribed contraceptive drugs at family practice clinics, if available. 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.

(B) For purposes of this section, the term 'contraceptive drugs' means all drugs approved by the United States Food and Drug Administration that are used to prevent pregnancy including, but not limited to, hormonal drugs administered orally, transdermally, and intravaginally."

SECTION 3. This act takes effect upon approval by the Governor.

---XX---

This web page was last updated on March 22, 2017 at 6:59 PM