

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2700

STATUS: Original

SUBJECT: Requires health benefit plans to cover contraception, and hospitals to provide emergency contraception upon request

GOVERNMENT UNIT AFFECTED: Department of Consumer and Business Services, Department of Human Services, and Department of Administrative Services

PREPARED BY: Dawn Farr

REVIEWED BY: Robin LaMonte, John Britton, Dallas Weyand

DATE:

EXPENDITURES: See Comments.

REVENUES: See Comments.

EFFECTIVE DATE: January 1, 2008

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The bill requires individual and group health insurance benefit plans and prescription drug plans to include contraception coverage, and requires hospitals to inform victims of sexual assault about emergency contraception. The bill also requires the Director of the Department of Human Services to develop informational materials relating to emergency contraception for distribution and use in hospitals.

The bill would require the Department of Consumer and Business Services (DCBS) to revise the insurance product standards and mandated benefits list, and would result in a slight increase in form filings. DCBS indicates that these additional costs are minimal and can be accomplished with existing staff resources. The Oregon Medical Insurance Pool (OMIP) under DCBS anticipates being impacted in two ways. First, average enrollee costs will increase due to the costs of providing contraceptive coverage, and second, unintended births will likely decrease. The department estimates that these two factors will off-set each other resulting in a net minimal fiscal impact.

The bill directs the Department of Human Services (DHS) to develop informational materials on emergency contraception. DHS estimates publishing fewer than 10,000 informational materials per year. The cost per informational material would be approximately \$0.16 assuming a black and white brochure that is produced by the Office of Family Health, Reproductive Health Program. Additional expenditures include the costs associated with material distribution, rulemaking, and attorney general fees if hospitals are found non-compliant with rules adopted related to the distribution of information. The sum of these costs is not expected to exceed the minimal fiscal threshold of \$50,000.

The Department of Administrative Services indicates the Public Employee Benefit Board (PEBB) already provides contraceptive coverage, so there would be no fiscal impact to the department resulting from this bill.