

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 413

STATE OF NEW JERSEY

DATED: JANUARY 6, 2022

The Assembly Appropriations Committee reports favorably Senate Committee Substitute for Bill No. 413 (1R).

This bill requires health insurers and the State Medicaid program to provide coverage for the dispensing of prescription contraceptives for to up to 12 months at one time. The bill applies to hospital, medical, and health service corporations, commercial, individual, small employer and group health insurers, health maintenance organizations, prepaid prescription service organizations, the State Health Benefits Program, and the State Medicaid program. With respect to the Medicaid program, the bill requires the Commissioner of Human Services to apply for any necessary waivers from the federal government to secure federal financial participation to implement the bill.

The provisions of this bill will apply to policies and contracts delivered, issued, executed, or renewed on or after January 1, 2023.

As reported by the committee, Senate Bill No. 413 (SCS/1R) is identical to Assembly Bill No. 4698 (1R), which also was reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that current law requires health insurers, the State Health Benefits Program, and the School Employees' Health Benefits Program who provide coverage for prescription female contraceptives to dispense prescription female contraceptives on a three-month basis for the initial prescription and on a six-month basis thereafter.

According to the Division of Pensions and Benefits at the March 18, 2016 Pension and Health Benefits Review Commission meeting, dispensing contraceptive prescription drugs in batches of 12-months at a time may result in incurred "spillage/waste" costs, because a plan participant could stop using contraceptives prior to the end of the 12-month prescription period leaving a quantity of pills unused.