



**NEW WEST
HEALTH SERVICES**

SENATE PUBLIC HEALTH, WELFARE & SAFETY

EXHIBIT NO. 11

DATE: 1-24-05

BILL NO. 203

January 20, 2005

Senate Public Health Welfare and Safety

Talking Points SB 203 – Contraceptive Drug Coverage

Intro – Mr. Chairman, Members of the Committee.

For the record, my name is Angela Huschka (spell), I am representing New West Health Services.

New West Health Services is opposed to this bill because we oppose mandating coverage that some groups and individuals may not want as coverage. However, we do not oppose covering contraceptive drugs, as we offer this coverage in all of our plans. We would prefer to see the market regulate itself. If an employer or individual makes the decision when purchasing insurance that they want contraceptive coverage then it is available to them. We pay for contraceptive coverage in all our policies unless a group or individual elects otherwise, or they may choose to go without insurance.

There are a couple of items I would like to call to your attention that should be clarified in this bill. One is that it is not clear from reading the bill whether the intent is to provide a first dollar coverage or whether co-pay, deductible, and co-insurance limits would apply. In the absence of such language, which you will find in some other mandates within Title 33, leaves the statute open for interpretation.

The language I am referring to is: These services are subject to the terms of the applicable group or individual disability policy, certificate, or membership contract that establishes durational limits, dollar limits, deductibles, and co-payment provisions as long as the terms are not less favorable than for physical illness generally.

The second item that is not clear is whether this is a medical mandate or a pharmaceutical mandate. If the insurer is being asked to cover contraceptive drugs as part of the medical coverage then we are being asked to integrate Rx within our plan. This would require a consumer to turn in receipts for reimbursement. If this is mandating Rx benefit, then we may be mandating that every group or individual purchase an Rx endorsement or rider. Purchase pharmacy endorsements/riders can increase the cost of insurance to a great degree.

Lastly, the bill does not address the issue of pre-certification or pre-authorization for contraceptive drugs.

Therefore, we ask this committee for a vote of do-not pass on this bill.

Thank you for your consideration.