



Alaska State Legislature

Representative Matt Claman

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To: Members of the House Finance Committee

From: Representative Matt Claman, House Bill 25 Prime Sponsor

Subject: Questions from April 19th & April 20th, 2017 House Finance Committee Meeting

Date: May 10, 2017

Please find below answers to questions asked during hearings for House Bill 25:

Rep. Wilson asked for a clearer definition of “unintended pregnancy.”

The Guttmacher Institute defines unintended pregnancy as “one that was either mistimed or unwanted. If a woman did not want to become pregnant at the time the pregnancy occurred, but did want to become pregnant at some point in the future, the pregnancy is considered mistimed; if she did not want to become pregnant then or at anytime in the future, the pregnancy is considered unwanted.” The Centers for Disease Control and Prevention use the same definition.

Rep. Neuman asked for an explanation of the \$42.9 million cost to the state referenced in the sponsor statement.

We received our statistics from the Guttmacher Institute fact sheet entitled *State Facts About Unintended Pregnancy: Alaska*.¹ The fact sheet references data from a report entitled *Public Costs from Unintended Pregnancies and the Role of Public Insurance Programs Paying for Pregnancy-Related Care*.² The report focuses on the cost of publicly funded births: those births with deliveries paid for by Medicaid, CHIP or IHS, etc. The estimates from the Guttmacher Institute includes costs of prenatal care, labor and delivery, postpartum care and 60 months of care for the child. The fact sheet estimates that in 2010, 3,000 unintended pregnancies in Alaska were publicly funded. In 2010, the federal and state governments spent \$113.7 million on unintended pregnancies; of this, \$42.9 million was paid by the state.

In comparison, the fiscal note prepared by the Department of Health and Social Services (OMB Component number 2077) only includes the cost of prenatal care and delivery. DHSS estimates

¹ *State Facts About Unintended Pregnancy: Alaska*. Guttmacher Institute, Sept. 2016.

<https://www.guttmacher.org/sites/default/files/factsheet/up-ak.pdf>

² Sonfield A and Kost K, *Public Costs from Unintended Pregnancies and the Role of Public Insurance Programs in Paying for Pregnancy-Related Care: National and State Estimates for 2010*, New York: Guttmacher Institute, 2015, https://www.guttmacher.org/sites/default/files/report_pdf/public-costs-of-up-2010.pdf

that 120 unintended pregnancies may be potentially avoided through dispensing 12-month quantities of contraceptives. Approximately 5.28 of those unintended pregnancies would have been complicated births, and the remaining 114.72 would have been non-complicated. The cost factor used for a complicated birth was \$110.0; the cost factor used for a non-complicated birth was \$8.0. DHSS estimates benefits savings at \$1,355.6 net total annual projected savings— however, it is important to note that this is a conservative estimate, as some complicated births can cost upwards of hundreds of thousands of dollars.

Rep. Pruitt asked about the potential consequences of a repeal of the Affordable Care Act.

House Bill 25 is not dependent on the ACA, but rather takes the contraception coverage policy of the ACA and brings it to the state level. It also goes beyond the federal guarantee by offering the 12-month dispensing option. Therefore, if House Bill 25 was in statute and the ACA was repealed, the coverage requirements of House Bill 25 would remain.

Additionally, there was some confusion regarding the religious exemption included in the bill. The ACA permits some religious employers to refuse to provide coverage for contraceptives. House Bill 25 has a similar exemption in place that references federal codes and regulations as an accommodation to employers that object to contraceptive coverage on religious grounds, but does not specifically reference the ACA. Therefore, if House Bill 25 was in statute and the ACA was repealed, the religious exemption in House Bill 25 would remain.

Rep. Wilson asked if there is anything stopping insurance companies from filling a 12-month supply of birth control.

Barry Christensen, Co-Chair of the Alaska Pharmacists Association, and Margaret Brodie, Director of Health Care Services, Department of Health and Social Services, spoke well to this question during the bill hearing, but again, health care plans are currently not required to cover a year supply. The amount of coverage provided is determined at the insurance carrier's discretion. Therefore, a legislative mandate is necessary to require coverage of a year supply when prescribed by a health care provider.

Rep. Wilson asked if House Bill 25 would apply to University employees.

Our office has been in contact with Miles Baker, the Legislative Liaison for the University of Alaska, and he told us that on a preliminary read, House Bill 25 would likely apply to the University. Mr. Baker has asked Premera to review whether or not the bill is applicable, and Premera has not produced anything more definitive at this time.

The staff assigned to this bill is Lizzie Kubitz who can be reached at 465-4904. Please do not hesitate to contact my office if we can provide any additional information.

Sincerely,

