



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 973 (Substitute S-3 as reported)
Senate Bill 974 (Substitute S-1 as reported)
Sponsor: Senator Mary Cavanagh (S.B. 973)
Senator Jeff Irwin (S.B. 974)
Committee: Health Policy

CONTENT

Senate Bill 973 (S-3) would amend Chapter 34 (Disability Insurance Policies) of the Insurance Code to require insurers that cover contraceptives to provide coverage for contraception and emergency contraception without a prescription, beginning January 1, 2026.

Senate Bill 974 (S-1) would amend the Social Welfare Act to require Medicaid to cover over-the-counter contraception and emergency contraception without a prescription, beginning January 1, 2026.

Proposed MCL 500.3406jj (S.B. 973)
Proposed MCL 400.109q (S.B. 974)

BRIEF RATIONALE

Contraception is used by individuals to prevent pregnancy, plan for families, and improve women's health. According to testimony, unequal access to contraception creates health disparities between those who can afford contraception and those who cannot. It has been suggested that requiring health insurers to cover contraception would reduce health disparities and increase access to contraception.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

Senate Bill 973 (S-3) would have no fiscal impact on State or local government.

Senate Bill 974 (S-1) could have a significant fiscal impact on the Medicaid program within the DHHS. There would be no fiscal impact on local units of government.

According to the most recent version available of the Medicaid Provider Manual (October 1, 2024): "Covered services include an office visit for a complete exam, pharmaceuticals (including some over the counter [OTC] products), supplies and devices when such services are provided by or under the supervision of a medical doctor, osteopath, or eligible family planning provider. Family planning supplies not furnished by the provider as part of the medical services must be prescribed by a physician and purchased at a pharmacy. Exceptions are condoms and similar supplies which do not require a prescription."

The bill would create statutory language that would overrule the current Medicaid policy by requiring the dispensing of "drug, device, or other product included on the medical assistance preferred drug list" without a prescription. The definition of contraception included in the bill, "includes, but is not limited to, a hormonal drug, whether administered orally, transdermally, or intravaginally, that is approved by the United States Food and Drug Administration to

prevent pregnancy", does not limit the scope of potential drugs, devices, or other products that can be dispensed without a prescription (as long as those items are included on the preferred drug list of the medical assistance program). The fiscal impact to the Medicaid program could be very significant as any Medicaid participant would be able to access any drug, device, or other product that currently requires a prescription without a prescription.

Date Completed: 12-10-24

Fiscal Analysts: Nathan Leaman
John P. Maxwell

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