**The Florida Senate**

# BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Health and Human Services

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| BILL: | SB 1116 |
| INTRODUCER: | Senators Joyner and Grimsley |
| SUBJECT: | Long-acting Reversible Contraception Pilot Program |
| DATE: | February 9, 2016 |
| REVISED: | |

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|---|---|---|---|---|
| 1. | Lloyd | Stovall | HP | **Favorable** |
| 2. | Brown | Pigott | AHS | **Pre-meeting** |
| 3. | | | FP | |

## I. Summary:

SB 1116 directs the Department of Health (DOH) to establish a long-acting reversible contraception (LARC) pilot program in Hillsborough, Palm Beach, and Pinellas counties. The DOH must contract with eligible family planning providers to deliver the services. A report on the effectiveness of the pilot program is due to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2018.

The bill appropriates $75,000 in nonrecurring general revenue for the 2016-2017 fiscal year and directs the funds to be equally divided among the three pilot counties. Additionally, the DOH estimates that implementing the bill will require one full-time-equivalent position and an appropriation of $207,897 general revenue, $4,146 of which would be nonrecurring, in the 2016-2017 fiscal year.

The bill has an effective date of July 1, 2016.

## II. Present Situation:

The LARC methods are the most effective forms of reversible birth control available, with fewer than 1 in 100 women using a LARC method becoming pregnant, the same range as for sterilization.[1] LARC methods include an intrauterine device (IUD) and a birth control implant. Both methods last for several years, are reversible, and can be removed at any time.

[1] American College of Obstetricians and Gynecologists, *Frequently Asked Questions - Contraception (LARC)*, http://www.acog.org/Patients/FAQs/Long-Acting-Reversible-Contraception-LARC-IUD-and-Implant (last visited: Jan. 12, 2016).

An IUD is a small, T-shaped, plastic device that is inserted and left inside the uterus. There are two types of IUDs. The hormonal IUD releases progestin and is approved for up to five years. The copper IUD does not contain hormones and is approved for up to 10 years.[2]

The birth control implant is a single flexible rod about the size of a matchstick that is inserted in the upper arm under the skin and releases progestin. The implant lasts for three years.

Both the IUD and the implant may be placed or removed by a health care provider. There are few side effects to either method, and almost all women are eligible for an IUD or implant.[3]

In the United States, approximately 3 million pregnancies per year, or 50 percent of all pregnancies, are unintended.[4] Of those unintended pregnancies, half are from contraceptive failure and the other half are due to non-use of contraception.[5] Adolescents especially use contraceptive methods with relatively higher failure rates, such as condoms, withdrawal, or oral contraceptive pills.[6]

In Florida, the unintended pregnancy rate was 58 per 1,000 women in 2010 for females aged 15-44, and the teen pregnancy rate was 50 per 1,000 women.[7] The federal and state governments spent $1.3 billion on unintended pregnancies in 2010, of which $892.8 million (57%) was paid by the federal government and $427.1 million was paid by the state.[8]

While being cost-effective over the long-term, the high up-front costs of the LARC methods may be a barrier to widespread use, as the wholesale cost of an IUD or implant can be as high as $850, plus the cost of insertion.[9] In February 2015, the federal Food and Drug Administration approved a new IUD, Liletta, which was developed by a non-profit organization and is made available by that organization to public clinics for just $50.[10]

While most insurance plans under the Affordable Care Act and Medicaid cover contraception and the associated services with no out-of-pocket costs, those without insurance coverage may face a financial hurdle. The American College of Obstetricians and Gynecologists also recognized the high cost as a barrier to wide use of LARCs by adolescents in its *Committee on*

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[2] *Id.*
[3] Brooke Winner, et al., *Effectiveness of Long-Acting Reversible Contraception,* N ENGL J MED 366; 21, nejm.org, May 24, 2012.
[4] *Id.*
[5] *Id.*
[6] American College of Obstetricians and Gynecologists, *Committee Opinion: Adolescents and Long-Acting Reversible Contraception: Implants and Intrauterine Devices*, (October 2012), http://www.acog.org/Resources-And-Publications/Committee-Opinions/Committee-on-Adolescent-Health-Care/Adolescents-and-Long-Acting-Reversible-Contraception, (last visited: Jan. 12, 2016).
[7] Guttmacher Institute, *State Facts About Unintended Pregnancy: Florida (2014)*, http://www.guttmacher.org/statecenter/unintended-pregnancy/pdf/FL.pdf (last visited: Jan. 12, 2016.)
[8] *Id.*
[9] Heather D. Boonstra, *Leveling the Playing Field: The Promise of Long-Acting Reversible Contraceptives for Adolescents*, Guttmacher Policy Review, Vol. 16, p. 16, https://www.guttmacher.org/pubs/gpr/16/4/gpr160413.html (last visited: Jan. 12, 2016).
[10] Karen Weise, *Warren Buffet's Family Secretly Funded a Birth Control Revolution,* Bloomberg Business (July 30, 2015), http://www.bloomberg.com/news/articles/2015-07-30/warren-buffett-s-family-secretly-funded-a-birth-control-revolution (last visited: Jan. 12, 2016).

*Adolescent Health Care Long-Acting Reversible Contraception Working Group* Committee Opinion document in 2014, along with lack of familiarity with or misconceptions about the methods, the lack of access, and health care providers' concerns about the safety of LARC use in adolescents (ages 9-11).[11]

Overall, the Committee found LARC methods to be "top-tier contraceptives based on effectiveness, with pregnancy rates of less than 1 percent per year for perfect use and typical use. Adolescents are at high risk of unintended pregnancy and may benefit from increased access to LARC methods."[12]

**Current Family Planning Services**

***County Health Departments***

The DOH currently provides comprehensive family planning services, including LARC services, in all 67 Florida counties. Funding for these services is provided through a Title X federal grant, part of a Title V federal grant, and state general revenue. Funds are distributed to each county health department (CHD) by the DOH.

According to the DOH, more than 152,000 individuals received family planning services in 2014 with 71.3 percent of the clients having incomes at or below 150 percent of the federal poverty level.[13] For a family of two, 150 percent of the federal poverty level is $23,895.[14] Of those served by the DOH for family planning services, 44.1 percent were covered by public insurance and 27.4 percent were uninsured.

Men and women served under this program have access to FDA-approved birth control methods and supplies, abstinence counseling, pregnancy testing, physical examinations, screenings, and HIV counseling and testing.[15] Services are provided on a sliding scale, based on family size and income, resulting in persons under 100 percent of the federal poverty level paying no fees.

The majority of family planning services are delivered at CHD clinic sites. A small number of CHDs contract with outside providers for family planning services, including the three below.[16]

| | **Numbers of Clinic Sites, including Contracted Sites** |
|---|---|
| **Hillsborough CHD** | 11 |
| **Palm Beach CHD** | 10 |
| **Pinellas CHD** | 5 |

[11] *Supra*, Note 6 at 2.
[12] *Supra*, Note 6 at 1.
[13] Florida Department of Health, *Family Planning Fact Sheet*, *http://www.floridahealth.gov/programs-and-services/womens-health/family-planning/fp-facts.html* (last visited: Jan. 12, 2016).
[14] 2015 Federal Poverty Guidelines, https://www.medicaid.gov/medicaid-chip-program-information/by-topics/eligibility/downloads/2015-federal-poverty-level-charts.pdf (last visited: Jan. 12, 2016).
[15] Florida Department of Health, *Family Planning*, *http://www.floridahealth.gov/programs-and-services/womens-health/family-planning/index.html* (last visited: Jan. 12, 2016).
[16] Florida Department of Health, *2016 Agency Bill Analysis - SB 1116*, Dec. 16, 2015. (on file with Senate Health Policy Committee).

In State Fiscal Year 2014-15, the CHDs provided services to 10,806 clients who were using a LARC method.[17] Of those 10,806 clients seen by the CHDs, 5,451 of these clients were new users and received the LARC during the 2014-15 fiscal year.[18] The table below illustrates the total number of services in the proposed pilot counties and statewide.

**Long Acting Reversible Contraceptives (LARCs) Use by County, Florida Fiscal Year 2014-2015[19]**

| | Age <15-19 | | | Age 20-45+ | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| County | # of Clients with LARCs | # of Clients | % | # of Clients with LARCs | # of Clients | % | Total # of Clients with LARCs | Total Clients | % |
| Hillsborough | 52 | 493 | 10.55% | 726 | 4,748 | 15.29% | 778 | 5,241 | 14.84% |
| Palm Beach | 38 | 1,529 | 2.49% | 842 | 8,139 | 10.35% | 880 | 9,668 | 9.10% |
| Pinellas | 15 | 1,714 | 0.88% | 242 | 7,749 | 3.12% | 257 | 9,463 | 2.72% |
| Statewide | 963 | 24,027 | 4.01% | 9,843 | 118,205 | 8.33% | 10,806 | 142,232 | 7.60% |

The DOH's Family Planning Program (FPP) has received consistent funding of approximately $4.7 million in general revenue for contraceptives over the last five years.[20] These funds are allocated to the DOH's Bureau of Statewide Pharmacy. Ordering higher-cost contraceptives such as LARCs is done through the FPP and paid for through funds that are separate and distinct from the general revenue funds.

The Legislature designated an appropriation of $300,000 in Fiscal Year 2014-15 for the purchase of LARCs.[21] The DOH reports that this allocation was quickly spent by the 67 CHDs and no appropriation was made in the subsequent fiscal year. The Maternal and Child Health Program at the DOH allocated Title V funds to the CHDs, allowing them to choose from three Title V priorities, one being "well woman," which would allow the CHDs to provide LARCs.[22] The three proposed pilot programs did not request their Title V funding to be used for this purpose.

***Florida Medicaid Program***

Family planning services are also covered under Medicaid for recipients of child-bearing age and include reimbursement for:

- New and established patient visits;
- Required laboratory tests;
- Selection of contraceptive method, provision of supplies;
- Post examination review;
- Counseling visits;
- Supply visits;

[17] Email from Bryan P. Wendel, Government Analyst II, Department of Health, to Jennifer Lloyd, Senate Health Policy Committee, Jan. 13, 2016, on file with Senate Health Policy Committee.
[18] *Id.*
[19] *Id.*
[20] *Id.*
[21] See Specific Appropriation 525 in ch. 2014-51, Laws of Fla. (an appropriation of $300,000 for the purchase of long-acting reversible contraceptives with non-recurring general revenue funds, effective July 1, 2014).
[22] *Supra,* Note 17.

- HIV Counseling;
- Coverage for insertion and removal of IUD;
- Services associated with decision to use long-acting injectable or implantable contraceptives; and
- Pregnancy testing.[23]

Family planning services for Medicaid recipients are funded through Title XIX federal funds and state general revenue.

Family planning services are also provided through a family planning waiver (FPW) for females aged 14 through 55 who lose Medicaid coverage at the end of their 60 days postpartum coverage and who have family income at or below 185 percent of the federal poverty level at the time of their annual redetermination, or for females who have lost their Medicaid coverage. Enrollees must also not be otherwise eligible for Medicaid, Children's Health Insurance Program (CHIP), or other health insurance coverage with family planning services. Eligibility is limited to two years after losing Medicaid coverage and must be re-determined every 12 months.

The FPW was first implemented in 1998 and has been through several extension periods. The state received its most recent extension in December 2014, and was approved through December 31, 2017.[24]

Covered services under the FPW are limited to those services and supplies whose primary purpose is family planning. Those services under the FPW include:

- Approved methods of contraception;
- Sexually transmitted infection (STI) testing;
- Sexually transmitted disease (STD) testing;
- Pap smears and pelvic exams;
- Approved sterilizations;
- Drugs, supplies, or devices related to women's health services; and
- Contraceptive management, patient education, and counseling.[25]

The FPW does not cover emergency room visits, inpatient services, or any other non-family planning related services.

Family planning services and supplies are funded with a 90-percent federal matching rate while costs relating to the processing of claims is matched at 50 percent.[26] In 2010, the total public

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[23] Agency for Health Care Administration, *Practitioner Services Coverage and Limitations Handbook*, pp.51-55, http://portal.flmmis.com/FLPublic/Portals/0/StaticContent/Public/HANDBOOKS/Practitioner%20Services%20Handbook_Adoption.pdf (last visited: Jan. 12, 2016).

[24] Letter from Department of Health and Human Services, Center for Medicare and Medicaid Services to Justin Senior from Cindy Mann, http://ahca.myflorida.com/medicaid/Family_Planning/pdf/FL_FPW_Extension_CMS_Approval_Ltr_12-29-14.pdf (Dec, 29, 2014) (last visited: Jan. 12, 2016).

[25] Agency for Health Care Administration, *Extension of the Florida Medicaid Family Planning Waiver, (June 27, 2014)* p.23, *http://ahca.myflorida.com/Medicaid/Family_Planning/pdf/FPW_Extension_Request_6-27-14_final.pdf* (last visited: Jan. 12, 2016).

[26] *Id.* at 32.

expenditures for family planning client services was $103.1 million, which included $66 million through Medicaid and $11.5 million through Title X.[27]

## III. Effect of Proposed Changes:

The bill creates s. 381.00515, F.S., and the LARC pilot program within the DOH. The pilot program is established in Hillsborough, Palm Beach, and Pinellas counties with the purpose of improving the provision of LARC services in those counties. The DOH is required to contract with eligible family planning providers to implement the program. A contract for LARC services must include:

- Provision of intrauterine devices and implants;
- Training for providers and staff regarding LARC devices, counseling strategies, and the management of side effects;
- Technical assistance regarding issues such as coding, billing, pharmacy rules, and clinic management due to increased use of LARC services;
- General support to expand the capacity of family planning clinics; and
- Other services the DOH considers necessary to ensure the health and safety of LARC participants.

The bill also directs the DOH to seek federal grants and funds from other sources to supplement state funds.

By January 1, 2018, the DOH must submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the effectiveness of the pilot program. The report must also be published on the DOH's website. The report must include:

- An assessment of the pilot program, including any progress made in the reduction of unintended pregnancies and subsequent births, especially among teenagers;
- An assessment on the effectiveness of the pilot program in increasing the availability of LARC services;
- The number and location of family planning providers who participated in the pilot program;
- The number of clients served by family planning providers;
- The number of times LARC services were provided by participating family planning providers;
- The average cost per client served;
- The demographics of clients served;
- The sources and amounts of funding used;
- A description of federal grants the DOH applied for, including the outcomes;
- An analysis of the return on investment for the provision of LARC services, including tax dollars saved on health and social services;
- A description and analysis of marketing and outreach activities conducted to promote the availability of LARC services; and
- Recommendation for improving the pilot program.

[27] *Supra,* Note 7.

For the 2016-2017 state fiscal year, $75,000 in nonrecurring funds from the General Revenue Fund are appropriated to the DOH for the purpose of implementing the bill. The funds are to be distributed equally among the three counties and are not allowed to supplant or reduce any other appropriation of state funds to family planning providers or to the DOH for family planning services.

The bill is effective July 1, 2016.

## IV. Constitutional Issues:

### A. Municipality/County Mandates Restrictions:

None.

### B. Public Records/Open Meetings Issues:

None.

### C. Trust Funds Restrictions:

None.

## V. Fiscal Impact Statement:

### A. Tax/Fee Issues:

None.

### B. Private Sector Impact:

Under SB 1116, a reduction in unintended pregnancies in the pilot counties may have a fiscal and operational impact on the private sector by reducing costs and business interruptions related to unplanned pregnancies on private employers and taxpayers. The average birth covered by Medicaid cost $14,930 in 2014.[28]

The bill also anticipates marketing and outreach efforts to promote the availability of LARC services, and private business may benefit from funds or other resources spent on such a campaign.

### C. Government Sector Impact:

In addition to the $75,000 in nonrecurring general revenue appropriated by the bill, the DOH estimates the need for one full-time-equivalent position and $207,897 in general

[28] Agency for Health Care Administration, MED 145 Deliverable 2.3 Interim Report (Family Planning Waiver) (July 29, 2015), p.17, http://ahca.myflorida.com/medicaid/Family_Planning/pdf/Final_Inteim_Report_July_29_2015.pdf (last visited: Jan. 12, 2016).

revenue for the 2016-2017 fiscal year, $4,146 of which would be nonrecurring, to implement the bill. This estimate includes the cost of a marketing plan and campaign.[29]

Under the bill, the state could benefit in costs if the pilot program results in fewer unintended pregnancies. Each birth covered by Medicaid costs the state $14,930 while the highest priced LARC may be $800 to $1,000.[30] The extent of this potential effect is indeterminate.

## VI. Technical Deficiencies:

None.

## VII. Related Issues:

None.

## VIII. Statutes Affected:

This bill creates section 381.00515 of the Florida Statutes.

## IX. Additional Information:

A. Committee Substitute – Statement of Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.



[29] The Department of Health, *2016 Agency Legislative Bill Analysis, SB 1116,* Dec. 16, 2015, revised Feb. 4, 2016. On file with the Senate Appropriations Subcommittee on Health and Human Services.
[30] *Supra,* Note 28.