

OVERVIEW

THE AUDITOR
STATE OF HAWAII

Study of Proposed Mandatory Health Insurance for Contraceptive Services

Summary

Senate Concurrent Resolution No. 8, Senate Draft 1, House Draft 2 of the Regular Session of 1993 requested the State Auditor to assess the social and financial impacts of mandated health insurance coverage for contraceptive services. To guide the assessment, we were referred to House Bill No. 99 of 1993. With some exceptions, the bill would require health insurance policies to provide coverage for any service related to contraception procedures that is within the lawful scope of practice of any practitioner licensed to practice medicine. This includes the supplying of any type of contraceptive device.

Contraceptive services are designed to prevent unintended pregnancy. They may include education and counseling on the effective use of a wide variety of contraceptive methods. Contraceptive methods prescribed by physicians may be irreversible or reversible. Over-the-counter contraceptives do not require a prescription and are reversible.

Inadequate data are available on the utilization, benefits, and costs of privately insured contraceptive services. We found that federally qualified health maintenance organizations in Hawaii are required by federal law to cover a broad range of family planning services. Fee-for-service plans, such as the basic group plan of the Hawaii Medical Service Association (HMSA), and indemnity plans offered by commercial insurers, cover some family planning services. For example, HMSA does not explicitly cover contraceptive services in its basic group plan nor does it cover contraceptive drugs and devices in its drug plan. But HMSA does pay for "office visits" that could include visits to get a prescription for contraceptives.

We assessed House Bill No. 99 and concluded that it should encourage the use of contraceptive services among those for whom cost is a barrier. However, the bill describes the coverage only in general and vague terms. It is not clear whether both prescription and nonprescription procedures, both reversible and irreversible methods, and both surgical and nonsurgical procedures are included. The meaning of "any type of contraceptive device" is not explained.

We concluded that because of insufficient data and the vagueness of the legislative proposal, we could not fully assess what the impact of mandated contraceptive services might be. We found little evidence that inadequate coverage for contraceptive services has resulted in lack of services or in

financial hardship. Inadequate coverage, however, could be a barrier to the contraceptive service of choice. The evidence strongly suggests that mandating coverage for contraceptive services could reduce the cost of health care.

We do not believe that the Legislature should mandate insurance coverage for contraceptive services at this time. It would be best to see what kind of federal health care package will be enacted.

Response

The Department of Health says that our report should have included the benefits of increasing access to contraceptive services. In fact, we did so. The department disagrees that the State should wait to see what kind of federal health care package should be enacted. However, we believe this is the most prudent course of action.

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