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Senate Bills 973 and 974 (Substitute S-3 as passed by the Senate)

Sponsor: Senator Mary Cavanagh (S.B. 973)

Senator Jeff Irwin (S.B. 974)

Committee: Health Policy

Date Completed: 1-27-25

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-3) 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.

Senate Bill 973 (S-3)

Under the bill, beginning January 1, 2026, an insurer that delivered, issued for delivery, or renewed in Michigan a health insurance policy that provided coverage for contraceptives would have to provide coverage at an in-network pharmacy for contraception and emergency contraception without a prescription. This coverage requirement would be subject to any utilization management, prior authorization, quantity limit, or precertification requirements of the insurer or health insurance policy.

"Contraception" would mean a drug, device, or other product covered on the insurer's formulary, including a hormonal drug, whether administered orally, transdermally, or intravaginally, that is approved by the United States Food and Drug Administration (FDA) to prevent pregnancy. "Emergency contraception" would mean a drug approved by the FDA to prevent pregnancy following unprotected sexual intercourse or a known or suspected contraceptive failure.

Senate Bill 974 (S-3)

Beginning January 1, 2026, the Department of Health and Human Services (DHHS) would have to provide coverage under Medicaid for over-the-counter contraception and emergency contraception without a prescription.

"Contraception" would mean a drug, device, or other product covered by Medicaid that is approved by the FDA to prevent pregnancy.

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)

The bill would have no fiscal impact on State or local government.

Senate Bill 974 (S-3)

There could be a significant though uncertain 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 (July 1, 2024): "The Michigan Medicaid Program includes Family Planning services for qualified beneficiaries when the services are determined to be necessary for the health and well-being of the beneficiary... Family planning services are defined as any Medicaid covered contraceptive service, including diagnostic evaluation, drugs, and supplies, for voluntarily preventing or delaying pregnancy... 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."

The fiscal impact on the State is uncertain as there is not a clear delineation between the bill's proposed requirements and what is included as current policy within the Michigan Medicaid program. To the extent that the access described in the bill was more extensive than current practices within the DHHS, there could be a fiscal cost to the State.

Fiscal Analysts: Nathan Leaman
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.