

# Will Insurance Cover Over-the-Counter Contraceptive Pills? A Discussion of Coverage Options and Challenges

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**KFF**

The independent source for health policy research, polling, and news.

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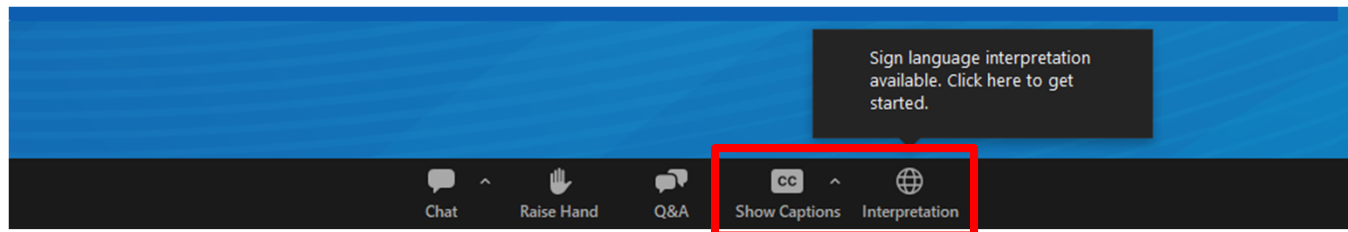


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Project Director, Free the Pill



# Captions and ASL Interpretation

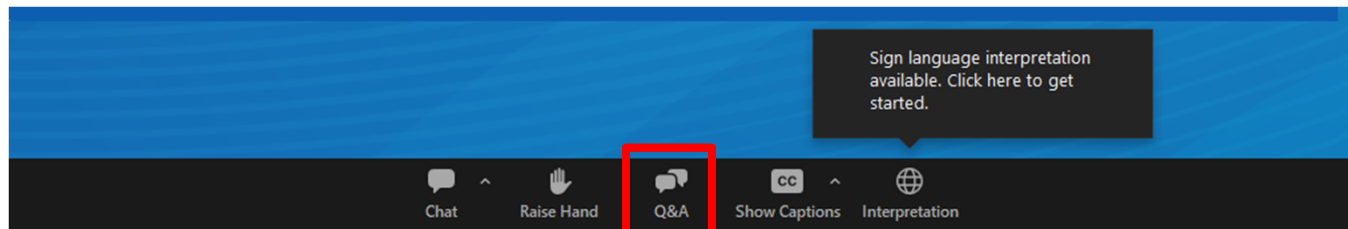
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You can submit questions for the Q&A session at any time during the web briefing; we will answer as many as we can after the presentation.

# Insurance Coverage of OTC Oral Contraceptives: Lessons from the Field

Presentation by Michelle Long, MPH

Senior Policy Analyst, Women's Health Policy

September 15, 2023

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# Project Overview

- Objectives
  - Identify state policies and strategies that have been used to operationalize Medicaid and private insurance coverage of OTC contraception
  - Highlight successes and challenges to help inform implementation efforts
- 35 interviews with nearly 80 experts and key players (January to August 2023)
  - CMS, state Medicaid programs, Medicaid MCOs, and private plans
  - State insurance departments
  - Chain and independent pharmacies, pharmacists, and pharmacy benefit manager
  - Trade associations
  - Consumer representatives and reproductive health advocates
- Focus on seven states (IL, NJ, NM, NY, OR, UT, WA) and national stakeholders

# Ecosystem of Coverage of Over-the-Counter Contraception

## Consumers

Awareness, demand, affordability, acceptability

## Pharmacists/ Pharmacies

Price, stocking, display, staffing, billing

## Pharmacy Benefit Managers

Payments, formularies, adjudicating pharmacy claims

## Payors

Billing systems, informational materials to consumers and pharmacies, utilization management

## Federal and State Regulators

Licensing, oversight, enforcement

## Manufacturers

Distribution, pricing, packaging

How OTC coverage has been operationalized:

- Traditional prescription
- Pharmacist prescribing
- Without a prescription

## Lessons Learned: **Consumers**

Interviewees in states where OTC coverage is required without a prescription noted:

- Consumers generally need to obtain OTC contraception at the pharmacy counter for plans to cover costs in states where OTC methods are currently covered without a prescription by Medicaid or private insurance.
- Awareness of this benefit is reportedly low in these states.
- Advocates cite some concerns that raising consumer awareness and expectations about this benefit without better operational structures could generate confusion and frustration.



## Lessons Learned: **Pharmacists and Pharmacies**

- There has been little specific outreach about this benefit to pharmacies.
- Billing protocols for OTC contraception vary widely by plan and within state Medicaid programs, leading to confusion for some pharmacists.
- Pharmacies are not typically compensated for submitting claims for non-prescribed products, unlike drugs and products that are dispensed with a prescription.
- Pharmacy stocking decisions are shaped by financial considerations and consumer awareness and demand.
- Pharmacist prescribing laws and policies can facilitate coverage, but this fallback approach has limitations given multiple demands on pharmacists and lack of systems for pharmacist compensation.

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# Lessons Learned: **Plans, PBMs, and Insurance Departments**

- Current system is designed to reimburse for prescribed drugs, and systems for covering OTC products vary. Lack of uniformity in plan billing practices for covered OTC products has led to confusion among many key players.
- Health plan interviewees reported few claims for non-prescribed OTC contraception, which could be due to low consumer and pharmacist awareness.
- Few plans provide information about the benefit in their enrollee-facing materials.
- Insurance departments in states with OTC contraceptive coverage cited varied state compliance and enforcement efforts.
- Health plans and a national PBM suggested that quantity limits could be a consideration to control fraud and waste.

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SOURCE: [Insurance Coverage of OTC Oral Contraceptives: Lessons from the Field](#). KFF, 2023.

## Lessons Learned: **Medicaid**

- Federal Medicaid law requires a prescription to cover all drugs, even those that are available without a prescription.
- A few states use their own funds, without federal matching dollars, to pay for OTC contraceptives without a prescription.
- Billing protocols vary by state and even between traditional FFS Medicaid and MCOs within states.
- Most state Medicaid programs have not recently reviewed claims data for non-prescribed OTC contraception or do not know how often claims are submitted for it.
- CMS is accommodating coverage of OTC contraception in Medicaid by encouraging states to submit state plan amendments to *cover* OTC drugs/products generally, but a *prescription* is still required for federal matching funds.

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# Considerations for Coverage of Opill Without a Prescription

- Outreach and education to pharmacies, pharmacists, and consumers will be a key factor in implementing coverage of OTC contraceptive products.
- Many stressed the value in having a standardized billing process to facilitate covering OTC contraception without a prescription.
- Compensation for pharmacies and pharmacists for the time and process of billing for non-prescribed Opill is an important consideration.
- Some current billing approaches will work when billing for Opill without a prescription.
- Without clear federal guidance, coverage will continue to depend on state policies and decisions made by plans and state Medicaid programs.

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