

# **MANDATED HEALTH INSURANCE SERVICES EVALUATION**

## **Abortion Care Access Act**

Insurance Article, Section 15-1501(e)(1)

Maryland Health Care Commission

January 2024



January 11, 2024

The Honorable Joseline A. Peña-Melnyk  
Chair, Health and Government Operations Committee  
Taylor House Office Building, Room 241  
6 Bladen Street  
Annapolis, MD 21401

**Re: HB0937, 2022 - Abortion Care Access Act - Mandated Health Insurance Services Evaluation Report**

Dear Chair Peña-Melnyk,

Pursuant to your request and in accordance with Insurance Article §15-1501, Annotated Code of Maryland, the Maryland Health Care Commission (MHCC) is pleased to submit the enclosed mandated health insurance services evaluation on the elimination of cost-sharing for labor and delivery in relation to *HB0937, 2022 - Abortion Care Access Act*, which passed during the 2022 legislative session.

The MHCC contracted with Milliman, Inc., an actuarial consulting firm, to evaluate the social, medical, and financial impact of eliminating cost-sharing for labor and delivery. The attached report provides the results of the evaluation.

This report presumes a mandate requiring the elimination of cost sharing for labor and delivery services goes into effect on January 1, 2025, which would apply to the commercial populations: individual, small group, fully insured large group, and State Health Plan. Health savings account (HSA) qualified high deductible health plans (HDHP) were excluded from the analysis because if a labor and delivery service cost-sharing elimination mandate does not carve out HSA-qualified plans, commercial fully insured enrollees will no longer be able to have an HSA.

We note a few key points from the report:

- The average estimated cost of labor and delivery in Maryland in 2025 is \$21,750.
- Some health plans in Maryland do not have cost-sharing on labor and delivery services. For enrollees using labor and delivery services with cost sharing on labor and delivery benefits, average out-of-pocket expense savings ranged from \$230 for small group platinum metal tier enrollees to \$3,900 for individual bronze metal tier enrollees.

- Due to the low response to the benefit coverage survey, the estimated financial impact on large group enrollees may not be reflective of the Maryland large group market. Many of the limited plan designs provided indicated that currently there is no cost sharing for labor and delivery services. The estimated impacts of a mandate to eliminate cost-sharing may be understated to the extent that the plan designs received do not represent the actual market.
- Eliminating cost sharing means that commercially insured families may have, on average, an additional \$1,120 to allocate toward other expenses. Note, that the savings for any individual will vary based on their labor and delivery benefits.
- Families may choose to allocate these funds towards postpartum and childcare expenses. For example, birthing parents could have additional financial resources to seek treatment for related postpartum mental and physical health issues, such as postpartum depression or physical therapy. Note, as there is no requirement to use these funds for medical services, families could use the additional funds to purchase any consumer goods or services.

Finally, the Commission strongly urges the Legislature to proceed with caution when considering the adoption of additional mandated health insurance services given their cumulative deleterious impact on affordability over time despite a minimal impact on premiums of any single mandate at the time of adoption.

We appreciate your consideration. If you have any questions or if we may provide you with any further information, please do not hesitate to contact me at [ben.steffen@maryland.gov](mailto:ben.steffen@maryland.gov) or 410-764-3566 or Ms. Tracey DeShields, Director of Policy Development and External Affairs, at [tracey.deshields2@maryland.gov](mailto:tracey.deshields2@maryland.gov) or 410-764-3588.

Sincerely,



Ben Steffen,  
Executive Director

**Link to report**

cc:

The Honorable Pamela G. Beidle, Chair, Senate Finance Committee  
The Honorable Malcolm Augustine, Education, Energy, and the Environment Committee  
House Health and Government Operations Committee  
Senate Finance Committee  
The Honorable Laura Herrera Scott, Secretary, Maryland Department of Health  
Marie Grant, Assistant Secretary, Health Policy, Maryland Department of Health



Jonny Dorsey, Deputy Chief of Staff, Governor's Office  
June Chung, Deputy Legislative Office, Governor's Legislative Office  
Jason Heo, Governor's Office  
Sophie Bergmann, Governor's Office  
Sarah Albert, Department of Legislative Services (5 hard copies)  
Lisa Simpson, Committee Counsel, House Health and Government Operations,  
Patrick Carlson, Committee Counsel, Senate Finance  
Kenneth Yeates-Trotman, Director, Center for Analysis and Information Systems, MHCC  
Tracey DeShields, Director of Policy Development and External Affairs, MHCC

