

**Department of Legislative Services**  
Maryland General Assembly  
2017 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 1156  
Finance

(Senator Reilly)

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**Health Insurance - Coverage for Male Sterilization - High-Deductible Health Plans**

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This bill authorizes a high-deductible health plan (HDHP) to apply a deductible to coverage for male sterilization.

The bill takes effect January 1, 2018, and applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State finances or operations.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Effective January 1, 2018, Chapters 436 and 437 of 2016 require insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers) that provide hospital, medical, or surgical benefits to groups to provide coverage for male sterilization. Any carriers that provide coverage for male sterilization must provide such coverage with no copayment, coinsurance, or deductible requirement. Health plans grandfathered under the federal Patient Protection and Affordable Care Act are exempt from this prohibition.

HDHPs are health insurance plans with lower premiums and higher deductibles than traditional health insurance plans. HDHPs are often combined with a health savings account or health reimbursement account. An HDHP, as defined by 26 U.S.C. § 223, means a health plan (1) that has an annual deductible of at least \$1,000 for individual coverage and \$2,000 for family coverage and (2) for which the sum of the annual deductible and the other annual out-of-pocket expenses required to be paid under the plan (other than for premiums) for covered benefits does not exceed \$5,000 for individual coverage and \$10,000 for family coverage. Federal law provides for annual inflationary adjustments to the annual deductible under an HDHP. Currently, the deductible is \$1,300 for an individual and \$2,600 for a family.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1557 (Delegate Kipke) - Health and Government Operations.

**Information Source(s):** Centers for Medicare and Medicaid Services; Department of Budget and Management; Department of Health and Mental Hygiene; Maryland Health Benefit Exchange; Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - March 17, 2017  
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