

Maryland Catholic Conference_FAV_SB535.pdf

Uploaded by: Diane Arias

Position: FAV



MARYLAND
CATHOLIC
CONFERENCE

February 14, 2024

Senate Bill 535
Health Insurance – Labor and Delivery Services – Cost-Sharing Requirements
Senate Finance Committee

Position: Favorable

The Maryland Catholic Conference (MCC) is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 535 requires certain insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for labor and delivery services. The bill states that specific insurers that provide labor and delivery coverage to individuals or groups on an expense-incurred basis shall cover labor and delivery services without a deductible, coinsurance, co-payment, or any other cost-sharing requirement.

High costs associated with labor and delivery significantly burden postpartum women, disproportionately affecting their financial well-being. This accumulated medical debt poses risks to the growth, development, health outcomes, and food security of children born to mothers grappling with these financial strains. Covering labor and delivery services is crucial not only for allocating funds to potential neonatal ICU services but also for relieving the economic burden on women with pre-existing conditions like gestational diabetes or hypertension, whose pregnancy-related costs are already heightened.

Typical health coverage falls short of adequately addressing the specific financial challenges posed by labor and delivery. Parents, especially, bear a higher likelihood of medical-related debt, with 22% of adults under 30 attributing their healthcare debt to bills from pregnancy and childbirth.¹ Despite health insurance covering a substantial portion of the average childbirth cost of \$18,865, additional fees persist, leaving plan members with an average out-of-pocket cost close to \$3,000.² For those without insurance, the entire cost looms at around \$18,865.10.

¹ <https://www.usnews.com/news/best-states/articles/2023-05-12/new-reports-find-the-cost-of-childbirth-varies-by-state>

² <https://www.forbes.com/advisor/health-insurance/average-childbirth-cost/>

This proposition not only unifies Marylanders but also promotes policies that actively support and uplift mothers and their children, fostering a healthier and more financially secure future for all.

For these reasons, the MCC asks for a favorable report on **SB 535**.

Thank you for your consideration.

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Uploaded by: Justin Ready

Position: FAV



SB0535/783028/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

09 FEB 24
10:28:51

BY: Senator Ready
(To be offered in the Finance Committee)

AMENDMENT TO SENATE BILL 535
(First Reading File Bill)

On page 2, in line 1, after “(B)” insert “(1)”; in the same line, strike “AN” and substitute “EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN”; and after line 3, insert:

“(2) IF AN INSURED OR ENROLLEE IS COVERED UNDER A HIGH-DEDUCTIBLE HEALTH PLAN, AS DEFINED IN 26 U.S.C. § 223, AN ENTITY SUBJECT TO THIS SECTION MAY SUBJECT THE COVERAGE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE DEDUCTIBLE REQUIREMENT OF THE HIGH-DEDUCTIBLE HEALTH PLAN.”.

SB535 Labor and Delivery Svcs Written Test (1).pdf

Uploaded by: Justin Ready

Position: FAV

JUSTIN READY
Legislative District 5
Carroll County

MINORITY WHIP
Finance Committee



James Senate Office Building
11 Bladen Street, Room 315
Annapolis, Maryland 21401
410-841-3683 · 301-858-3683
800-492-7122 Ext. 3683
Justin.Ready@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 14, 2024

Senator Justin Ready

SB 535 Health Insurance – Labor and Delivery Services – Cost-Sharing Requirements

Chairman Beidle, Vice Chair Klausmeier and members of the Finance Committee:

As amended, Senate Bill 535 supports women’s reproductive health care by providing coverage for labor and delivery services without a deductible, coinsurance, copayment, or any other cost-sharing requirement. This legislation is a bipartisan effort to make childbirth and the earliest days of a child’s life more affordable and less stressful for working families.

As a General Assembly over the past several years we have made early childhood development and assistance a high priority because we recognize how vitally important those formative years are. This bill seeks to build on that by supporting new parents, ensuring that the earliest weeks of caring for a newborn and bonding together are not marred by often larger-than-expected bills for labor and delivery.

Under current Maryland law, there are more than 50 mandated health insurance benefits that carriers must provide coverage to their enrollees. This mandate would have the added benefit of covering the birth of future taxpayers.

Senate Bill 535 requires carriers to provide labor and delivery coverage from imposing a deductible, coinsurance, copayment, or other cost-sharing requirement for such services.

I respectfully request a **favorable** vote on Senate Bill 535.

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Uploaded by: Pam Kasemeyer

Position: FAV



The Maryland State Medical Society
1211 Cathedral Street
Baltimore, MD 21201-5516
410.539.0872
Fax: 410.547.0915
1.800.492.1056
www.medchi.org



TO: The Honorable Pamela Beidle, Chair
Members, Senate Finance Committee
The Honorable Justin Ready

FROM: Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
Andrew G. Vetter
Christine K. Krone

DATE: February 14, 2023

RE: **SUPPORT** – Senate Bill 535 – *Health Insurance – Labor and Delivery Services – Cost-Sharing Requirements*

On behalf of The Maryland State Medical Society and the Maryland Section of The American College of Obstetricians and Gynecologists, we **support** Senate Bill 535.

Senate Bill 535 requires insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for labor and delivery services without a copayment, deductible, co-insurance, or any other cost-sharing requirements.

The General Assembly has made a notable commitment to protecting access to and the provision of reproductive health care services. Similarly, labor and delivery services should be accessible and affordable. Currently, many insurance plans have significant deductibles and copayments that significantly disadvantage many low- and middle-income Marylanders who struggle to meet their cost-sharing responsibilities for labor and delivery services. Passage of Senate Bill 535 is in line with the policies that this General Assembly has advanced and continues to prioritize. A favorable report is requested.

For more information:
Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
Andrew G. Vetter
Christine K. Krone
(410) 244-7000

2024 ACNM SB 535 Senate Side.pdf

Uploaded by: Robyn Elliott

Position: FAV



Committee: Senate Finance Committee

Bill: Senate Bill 535 - Health Insurance - Labor and Delivery Services - Cost-Sharing Requirements

Hearing Date: February 14, 2024

Position: Support

The Maryland Affiliate of the American College of Nurse Midwives (ACNM) supports *Senate Bill 535 - Health Insurance - Labor and Delivery Services - Cost-Sharing Requirements*. The bill requires insurers, nonprofit health service plans, and health maintenance organizations that provide labor and delivery coverage to cover labor and delivery services without a deductible, coinsurance, copayment, or any other cost-sharing requirement.

The Affordable Care Act requires most health plans to cover maternal and newborn care. But because ACA requirements remain broad, insurance coverage isn't uniform. The average out-of-pocket spending for a vaginal delivery is \$2,655, compared to \$3,214 for cesarean births.ⁱ ACNM believes that all people should have access to a safe and affordable birth.

We ask for a favorable report on this legislation. If we can provide any further information, please contact Robyn Elliott at relliott@policypartners.net or (443) 926-3443.

ⁱ <https://www.forbes.com/advisor/health-insurance/average-childbirth-cost/>

2024 WLCM SB 535 Senate Side.pdf

Uploaded by: Robyn Elliott

Position: FAV

To: Senate Finance Committee

Bill: SB 535 – Health Insurance - Labor and Delivery Services – Cost Sharing Requirements

Date: February 14, 2024

Position: Favorable

The Women's Law Center of Maryland (WLC) supports *Senate Bill 535 – Health Insurance – Labor and Delivery Services – Cost Sharing Requirements*. The bill will require insurance companies, non-profit health service plans, and health maintenance organizations that provide labor and delivery coverage and are regulated by the state to provide those services without a deductible, coinsurance, copayment, or any other cost-sharing requirement.

The Women's Law Center of Maryland supports this legislation as it would benefit women and families in several ways.

- **Improved maternal and infant health outcomes:** Maryland has some of the highest rates of maternal mortality and infant mortality in the country. By removing cost-sharing requirements for labor and delivery, women in Maryland would be more likely to seek out the care they need during pregnancy and childbirth, which could help to improve health outcomes for both mothers and babies. This is particularly acute for Black women, who are more likely to die from pregnancy-related complications than white women, highlighting significant racial disparities in maternal health outcomes.
- **Economic security:** The high cost of labor and delivery can create a significant financial burden for families, especially those who are low-income or under-insured. This can lead to financial stress and even medical debt. These costs are disproportionately borne by women, who are already facing the gender wage gap and other systemic inequalities. Removing cost-sharing requirements would alleviate this burden and provide greater economic security for families in Maryland.
- **Reproductive autonomy:** Maryland has a long history of supporting reproductive rights and access to care. Removing cost-sharing requirements for labor and delivery would

promote reproductive autonomy and ensure that women in Maryland have control over their reproductive health without concerns of financial barriers.

Overall, removing cost-sharing requirements for labor and delivery in Maryland would be a significant step towards promoting women's health and economic security. It would ensure that all women in Maryland have access to the care they need during pregnancy and childbirth, regardless of their financial situation, and help to address some of the significant health disparities that exist in the state. As such, the WLC urges a favorable report on this legislation. For more information, please contact Robyn Elliott at relliott@policypartners.net.

The Women's Law Center of Maryland is a private, non-profit, legal services organization that serves as a leading voice for justice and fairness for women. It advocates for the rights of women through legal assistance to individuals and strategic initiatives to achieve systemic change, working to ensure physical safety, economic security, and bodily autonomy for women in Maryland.

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Uploaded by: Matthew Celentano

Position: UNF



15 School Street, Suite 200
Annapolis, Maryland 21401
410-269-1554

February 14, 2023

The Honorable Pam Beidle
Chair, Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401

Senate Bill 535 – Health Insurance – Labor and Delivery Services – Cost-Sharing Requirements

Dear Chair Beidle,

The League of Life and Health Insurers of Maryland, Inc. respectfully **opposes** *Senate Bill 535 – Health Insurance – Labor and Delivery Services – Cost-Sharing Requirements* and urges the committee to give the bill an unfavorable report.

Senate Bill 535 requires insurers to provide labor and delivery services to Marylanders without any cost-sharing. The result of this bill could have dramatic impact on premium and we urge the committee to consider the affordability impact before moving forward with this legislation.

According to a report prepared for the Maryland Health Care Commission (MHCC), the estimated impact of removing cost-sharing for labor and delivery services on insurance affordability would be significant. In the individual market alone, the report estimates a \$1.93 increase in premiums per member per month. The total estimated premium increase for non-HSA qualified plans would total nearly \$16 million.¹ It is important to make careful consideration of the cost impacts of any added mandated benefit, especially as the cost of labor and delivery services in hospitals continues to rise. One mandated benefit is not prohibitive, but Maryland has close to 50 mandated benefits, and the totality of those mandates creates affordability challenges that go beyond carriers directly consumers. This particular legislation also approaches a benefit that many Marylanders utilize and having cost share helps carriers counterbalance proposing the raising of premiums in the rate review process.

Carriers are already required to cover labor and delivery services as essential health benefits under the ACA, and some health plans in Maryland already do so without cost sharing. Senate Bill 535 would create

¹ Milliman, *Maryland Elimination of Labor and Delivery Cost Sharing Analysis: Prepared for Maryland Health Care Commission*. (2023)

a new aspect to an already mandated benefit. Under the ACA, each state must pay, for every health plan purchased through the Maryland Health Benefit Exchange, the additional premium associated with any state-mandated benefit beyond the federally mandated essential health benefits. This means, should the Commissioner include the mandate in the State benchmark plan, the State would be required to defray the cost of the benefits to the extent it applies to the individual and small group market ACA plans. This is likely to be costly to the State and a challenge to budget makers.

The League opposes any additional mandated benefits to Maryland's law. Mandated benefits add cost to health insurance policies in our state and limit the ability of insurers to design benefits to best meet the needs of enrollees. The report commissioned by the MHCC clearly shows that the removal of cost-sharing requirements for labor and delivery services would have a significant impact on insurance affordability for Maryland beneficiaries.

For these reasons, the League urges the committee to give Senate Bill 535 an unfavorable report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew Celentano", with a long horizontal line extending to the right.

Matthew Celentano
Executive Director

cc: Members, Senate Finance Committee