

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 662
Finance

(Senator Benson, *et al.*)

Health Insurance - Health Benefit Plans - Special Enrollment Period for
Pregnancy

This bill requires small employer and individual health benefit plans to provide a special enrollment period during which an individual who becomes pregnant, as certified by a health care practitioner, may enroll in a health benefit plan. A pregnant woman must be allowed to enroll at any time after commencement of the pregnancy, and the special enrollment period must remain open for the duration of the pregnancy. Coverage must become effective no later than the first day of the month in which the woman receives certification of pregnancy.

The bill takes effect July 1, 2016, and applies to all health benefit plans issued, delivered, or renewed in the State on or after January 1, 2017.

Fiscal Summary

State Effect: Minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) in FY 2017 from the \$125 rate and form filing fee. Review of filings can likely be handled with existing MIA resources. No impact on the State Employee and Retiree Health and Welfare Benefits Program.

Local Effect: None.

Small Business Effect: Minimal. To the extent premiums for small employer health benefit plans increase under the bill, small business expenses may increase beginning in calendar 2017.

Analysis

Bill Summary: A small employer health benefit plan must provide a special enrollment period for an eligible employee who becomes pregnant and an eligible employee's spouse or dependent who becomes pregnant, provided the spouse or dependent is otherwise eligible for coverage. A carrier participating in the Individual Exchange must provide a special enrollment period for an individual who purchases coverage through the Individual Exchange if the individual or a dependent becomes pregnant. Other carriers must provide a special enrollment period for an individual who purchases coverage outside the Individual Exchange if the individual or a dependent becomes pregnant.

Current Law: The federal Patient Protection and Affordable Care Act requires nongrandfathered health plans to cover 10 essential health benefits, which include maternity coverage; however, pregnancy itself does not make a woman eligible to enroll.

Small Employer Health Benefit Plans: All small employer health benefit plans must provide a special enrollment period during which the following individuals may enroll: (1) an individual who becomes a dependent of the eligible employee through marriage, birth, adoption, placement for adoption, or placement for foster care; (2) an eligible employee who acquires a new dependent through marriage, birth, adoption, placement for adoption, or placement for foster care, or through a child support order or other court order; (3) the spouse of an eligible employee at the birth or adoption of a child, placement of a child for foster care, or through a child support order or other court order, if the spouse is otherwise eligible; and (4) at the option of the Small Business Health Options Exchange, an enrollee who is the eligible employee or the spouse of the eligible employee if the enrollee loses a dependent or is no longer considered to be a dependent due to divorce or legal separation, or the employee or the employee's dependent dies. Coverage typically must become effective on the date on which the event occurs. A small employer health benefit plan must also allow an individual who experiences certain triggering events, including loss of pregnancy-related coverage, to enroll in or change from one health benefit plan offered by the small employer to another.

Individual Health Benefit Plans: Carriers must provide special enrollment periods for qualified individuals to enroll or change health benefit plans according to federal regulations. Triggering events include, among others, when an individual or a dependent (1) loses minimum essential coverage, pregnancy-related coverage, or medically needy coverage; (2) gains or becomes a dependent through marriage, birth, adoption, placement for adoption, or placement in foster care, or through a child support order or other court order; (3) loses a dependent or is no longer considered a dependent through divorce or legal separation or if the enrollee or a dependent dies; and (4) gains citizenship or lawfully present status. The effective date of coverage is generally the first of the month following the date of the triggering event.

Medicaid Coverage of Pregnant Women: Medicaid covers individuals, including pregnant women, with incomes up to 138% of federal poverty guidelines (FPG). Pregnant women with incomes between 138% and 264% FPG may also qualify for Medicaid based on their pregnancy under the “SOBRA” category.

Background: According to the U.S. Centers for Disease Control and Prevention (CDC), for women of reproductive age, lack of health insurance, either sustained or temporary, can be a barrier to receiving regular health care, including preventive services, or might limit opportunities to identify, manage, or treat health conditions that put women at risk for poor maternal and infant outcomes during pregnancy.

A 2011 CDC report on patterns of health insurance coverage around the time of pregnancy found that, in 2009, 30.1% of women who had a live birth experienced changes in health insurance coverage in the period between the month before pregnancy and the time of delivery, either because they lacked coverage at some point or they moved between different types of coverage. Most women had private coverage (52.8%) or Medicaid coverage (16.1%) throughout. A small percentage of women (1.1%) had no coverage at any point.

In 2015, New York became the first state to make pregnancy a “qualifying life event,” allowing enrollment in a health benefit plan in the state’s exchange at any time during pregnancy.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): U.S. Centers for Disease Control and Prevention, Department of Budget and Management, Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

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