Department of Legislative Services

Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 930 (Delegate Lopez, *et al.*)
Health and Government Operations

Public Health Abortion Grant Program - Establishment

This bill establishes the Public Health Abortion Grant Program (and the Public Health Abortion Grant Program Fund) in the Maryland Department of Health (MDH) to provide grants to improve access to abortion care clinical services. Excess funds in carriers' segregated accounts for abortion care clinical services under the federal Patient Protection and Affordable Care Act (ACA) must be used to support improving access to abortion care clinical services. By September 1, 2025 (and by July 1, 2026, and annually thereafter), the Insurance Commissioner must order the transfer of specified funds from these accounts to the new special fund. By October 1, 2025, the Governor must allocate by budget amendment $2.0 million of these funds for the program. Beginning in fiscal 2027, the Governor must include in the annual budget bill an appropriation for the fund of at least 90% of the ending balance of the segregated accounts that exceeds disbursements after the 15-month period following the end of a plan year. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: MDH special fund revenues increase by $19.3 million in FY 2026 and by $2.5 million annually thereafter due to transfers from carriers' segregated accounts. MDH special fund expenditures increase by $2.0 million in fiscal 2026, and by $2.5 million annually thereafter from the mandated appropriation. General fund revenues increase minimally from interest earnings of the new special fund through FY 2028. **This bill establishes a mandated appropriation beginning in FY 2027.**

($ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
GF Revenue	-	-	-	$0	$0
SF Revenue	$19.3	$2.5	$2.5	$2.5	$2.5
SF Expenditure	$2.0	$2.5	$2.5	$2.5	$2.5
Net Effect	$17.3	$0.0	$0.0	$0.0	$0.0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill is not anticipated to affect local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Definitions

"Eligible organization" means an organization that (1) is owned by or employs health care practitioners authorized to practice under the Health Occupations Article and provides equitable access to abortion care clinical services for individuals without sufficient resources or administers a fund to provide equitable access to abortion care clinical services for such individuals; (2) is in good standing in the State or jurisdiction in which the organization is registered or incorporated; and (3) has policies that do not restrict access to abortion care and are consistent with Title 20, Subtitle 2 of the Health-General Article.

"Individuals without sufficient resources" means individuals who are (1) uninsured; (2) underinsured, without sufficient abortion coverage; or (3) unable to use their insurance due to the risks posed by communication from insurance carriers regarding coverage.

Public Health Abortion Grant Program

The Secretary of Health must provide operating grants to eligible organizations to support equitable access to abortion care clinical services. Grant funds must be used to support abortion care clinical services for which federal funding is prohibited for individuals without sufficient resources, including for the administrative costs of managing services provided under the grant. MDH must award at least 90% of funds appropriated for the program as grants to eligible organizations.

MDH may not:

- release, publish, or otherwise disclose any identifying information for (1) the staff of an eligible organization that applies for or receives a grant or reimbursement under the program or (2) an individual health care practitioner or staff who provides abortion care clinical services for an eligible organization that receives a grant or reimbursement from the program;
- collect identifying information for individuals who request or obtain support for abortion care clinical services from an eligible organization awarded a grant under the program;

- restrict the use of funds granted under the program in a manner that is inconsistent with Title 20, Subtitle 2 of the Health-General Article; or
- allow an eligible organization awarded a grant to restrict the use of funds in a manner that is inconsistent with Title 20, Subtitle 2 of the Health-General Article.

MDH must develop standards for the grants to ensure funds are used in accordance with the requirements of the bill.

Public Health Abortion Grant Program Fund

The Secretary of Health must administer the fund. The fund is a special, nonlapsing fund that consists of (1) money transferred to the fund from carriers as specified under the bill; (2) money appropriated in the State budget to the fund; (3) interest earnings; and (4) any other money from any other source accepted for the benefit of the fund. The fund may be used only for the program. Any interest earnings must be credited to the fund. Expenditures from the fund may be made only in accordance with the State budget.

Carrier Premiums

The bill requires that any premium funds collected by a carrier for abortion coverage in accordance with the ACA must be used to provide coverage for abortion care clinical services for insureds or enrollees, as specified. If after the 12-month period following the end of a plan year, the amount of the ending balance of a carrier's segregated account exceeds disbursements, 90% of the ending balance must be used to support coverage of abortion care clinical services for which the use of federal funds is prohibited.

By March 1 each year, a carrier must submit to the Commissioner an accounting of receipts, disbursements, accrued interest, and the year-end balance for segregated accounts established by the carrier under the ACA. Submissions must be on a form approved by the Commissioner and include any related documentation required by the Commissioner.

By September 1, 2025, the Commissioner must order the transfer to the Public Health Abortion Grant Program Fund of 90% of the amount of the ending balance of carriers' segregated accounts that exceeds disbursements for each of plan years 2014 through 2023, including the amount of interest accrued to the accounts as of December 31, 2025.

By July 1, 2026, and annually thereafter, the Commissioner must order the transfer to the fund of 90% of the amount of the ending balance of carriers' segregated accounts that exceeds disbursements after the 15-month period following the end of a plan year, including the interest accrued to the segregated account as of December 31 of the preceding calendar year.

A party aggrieved by an order of the Commissioner has the right to a hearing and the right to appeal from the order of the Commissioner.

Additional Requirements

Uncodified language specifies that, if the federal Centers for Medicare and Medicaid Services (CMS) advises the Maryland Insurance Administration (MIA) that the bill's provisions violate the ACA, the bill must terminate. Within five days of notification from CMS that the bill violates the ACA, MIA must notify the Department of Legislative Services (DLS).

Current Law:

Insurance Coverage of Abortion Care Clinical Services

A carrier that provides labor and delivery coverage must cover abortion care services without (1) a deductible, coinsurance, copayment, or any other cost-sharing requirement and (2) restrictions that are inconsistent with the protected rights under Title 20, Subtitle 2 of the Health-General Article. A carrier must provide information to consumers about abortion care coverage using the terminology "abortion care" to describe coverage.

These requirements do not apply to (1) a multistate plan that does not provide coverage for abortions in accordance with federal law or (2) a high-deductible plan, unless the Commissioner determines that abortion care is not excluded from the safe harbor provisions for preventive care under federal law.

A religious organization that is eligible to obtain an exclusion from the requirement to cover prescription contraceptive drugs or devices may obtain an exclusion from abortion care coverage and notice requirements if the requirements conflict with the organization's bona fide religious beliefs and practices.

If the Commissioner determines that enforcement of these provisions may adversely affect the allocation of federal funds to the State, the Commissioner may grant an exemption for these requirements to the minimum extent necessary to ensure the continued receipt of federal funds.

Federal Abortion Provisions and Related State Reporting Requirements

Section 1303 of the ACA requires insurers that cover certain abortion services to segregate funds for those services in a separate account and then use that account to pay for all services for these abortions.

Under Maryland law, MIA must collect data from State-regulated plans on receipts, disbursements, and ending balances for the segregated accounts established under the ACA and related federal regulations. MIA must report to specified committees of the General Assembly annually by January 1, 2023, through January 1, 2026, on aggregate data collected for specified periods.

For more information on abortion law on the State and federal level, please see **Appendix – Legal Developments Regarding Abortion**.

State Fiscal Effect:

Maryland Insurance Administration

MIA advises that the bill requires it to develop a reporting form, gather data, and issue orders for the transfer of funds – all of which can be accomplished with existing budgeted resources.

Revenues to the Public Health Abortion Grant Fund

By September 1, 2025, the Commissioner must order the transfer to the new special fund of 90% of the amount of the ending balance of carriers' segregated accounts that exceeds disbursements for each of plan years 2014 through 2023. MIA advises that this transfer will total approximately $19.3 million. Thus, special fund revenues to the new fund increase by $19.3 million in fiscal 2026.

Based on MIA reports on segregated funds, the average ending balance for plan years 2022 and 2023 (the most recent years available) is $2.8 million, 90% of which is $2.5 million. Assuming the average balance of carriers' segregated funds remains at this level, beginning in fiscal 2027, special fund revenues to the new fund increase by $2.5 million annually.

Expenditures from the Public Health Abortion Grant Fund

By October 1, 2025, the Governor must allocate by budget amendment $2.0 million to the program from the funds transferred to the fund under the bill. Thus, MDH special fund expenditures increase by $2.0 million in fiscal 2026 to reflect this appropriation. This estimate reflects the cost of hiring one part-time (50%) grants specialist and one part-time (50%) health policy analyst (with start dates of October 1, 2025, concurrent with the availability of funding) to manage the grant program. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses, as well as the annual grants provided under the new program. The bill requires that MDH award at least 90% of funds appropriated for the program as grants to eligible organizations; thus, at least $1.8 million

must be appropriated for grants in fiscal 2026. This analysis assumes that the balance may be used for administrative costs.

	FY 2026	FY 2027
Positions (2 half-time)	1.0	-
Salaries and Fringe Benefits	$79,328	$103,097
Grants	1,903,347	2,394,234
Other Operating Expenses	17,325	2,669
Total State Expenditures	**$2,000,000**	**$2,500,000**

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in grants and ongoing operating expenses.

Beginning in fiscal 2027, the bill's mandated appropriation requires the Governor to include an appropriation *for the fund* that is at least equal to the funding required to be transferred from carriers' segregated accounts. This analysis assumes that $2.5 million will be transferred annually beginning in fiscal 2027 and that such funds will be appropriated from the fund *to the program*.

In fiscal 2027, personnel costs continue, and the mandated appropriation increases funding for the program to $2.5 million, resulting in increased funding available for grants. At least $2.25 million must be allocated as grants beginning in fiscal 2027.

General Fund Impact

Although the bill indicates that interest earnings of the new special fund remain in the fund, the bill does not amend Section 8 of Chapter 717 of 2024 (the Budget Reconciliation and Financing Act of 2024) which requires, notwithstanding any other provision of law, that interest earnings from special funds (with certain exceptions) accrue to the general fund from fiscal 2024 through 2028. Thus, general fund revenues increase minimally from interest earnings of the new special fund through fiscal 2028. The fund is exempted from a similar requirement under § 6-226(a)(2) of the State Finance and Procurement Article that applies from fiscal 2029 forward.

Small Business Effect: A small business abortion care provider benefits to the extent that it applies for and receives a grant under the bill.

Additional Comments: Based on the most recent Abortion Care Access Data Report issued by MIA in December 2024, all four carriers that issue qualified health plans in Maryland have segregated accounts under the ACA. The calendar 2023 ending balance for all four carriers was well in excess of disbursements for that year, with ending balances

ranging from 92% to 99% of disbursements. The ending balance for all four accounts totaled $2.8 million.

The bill requires that, when transferring funds from the segregated account to the new special fund, the transfer on September 1, 2025, must also include the amount of interest accrued to the segregated account as of December 31, 2025. This analysis assumes that the transfer must include the interest accrued as of December 31, *2024*.

DLS notes that the estimated transfer from carriers' segregated accounts in fiscal 2026 is $19.3 million, of which only $2.0 million is required to be transferred by budget amendment to the program. Beginning in fiscal 2027, an additional $2.5 million is assumed to be transferred to the fund annually. Depending on actual appropriations and expenditures in future years, as much as $17.3 million may remain in the fund.

Additional Information

Recent Prior Introductions: Similar legislation was introduced within the last three years. See SB 947 and HB 1412 of 2024.

Designated Cross File: SB 848 (Senator Guzzone) - Finance and Budget and Taxation.

Information Source(s): Maryland Department of Health; Office of Administrative Hearings; Health Benefit Exchange; Maryland Insurance Administration; Department of Legislative Services

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Appendix – Legal Developments Regarding Abortion

Status of Federal Abortion Law

In June 2022, the U.S. Supreme Court overturned precedent regarding abortion access in *Dobbs v. Jackson Women's Health Organization*. Before this decision, abortions prior to viability were constitutionally protected based on *Roe v. Wade* and *Planned Parenthood of Southeastern Pennsylvania v. Casey*. The petitioners in *Dobbs* sought to overturn the invalidation of Mississippi's Gestational Age Act, which prohibited abortions after 15 weeks gestation except for medical emergencies or severe fetal abnormalities. The U.S. Supreme Court upheld the Mississippi law by overturning *Roe* and *Casey*, holding that there is no constitutionally protected right to an abortion as it is not a right explicitly granted by the Constitution or a right "deeply rooted" in the country's history and tradition. The *Dobbs* decision leaves states to decide how to regulate abortion access, resulting in a patchwork of state laws with varying degrees of access to abortion care.

Maryland Abortion Law

Roe and *Casey* were codified in Maryland law before the *Dobbs* decision, thereby limiting its impact in the State. Section 20-209 of the Health-General Article prohibits the State from interfering with an abortion conducted (1) before viability or (2) at any point, if the procedure is necessary to protect the health or life of the woman in cases of fetal defect, deformity, or abnormality. The Maryland Department of Health may also adopt regulations consistent with established clinical practice if they are necessary and the least intrusive method to protect the life and health of the woman.

Chapter 56 of 2022 expanded beyond physicians the types of health care providers who may provide abortions to include nurse practitioners, nurse-midwives, licensed certified midwives, physician assistants, and other qualified licensed health care providers. The Act also established the Abortion Care Clinical Training Program to (1) ensure there are enough health care professionals to provide abortion services in the State and (2) require health insurers and Maryland Medicaid to cover abortion services without a deductible, coinsurance, copayment, or other cost-sharing requirement. Chapters 248 and 249 of 2023 require certain health insurers that provide labor and delivery coverage to also cover abortion care services, with limited exceptions.

Chapters 244 and 245 of 2023 proposed a constitutional amendment to (1) establish an individual's fundamental right to reproductive freedom, including but not limited to the ability to make and effectuate decisions to prevent, continue, or end one's own pregnancy and (2) prohibit the State from directly or indirectly denying, burdening, or abridging the

right unless justified by a compelling State interest achieved by the least restrictive means. In November 2024, Maryland voters approved this constitutional amendment through a ballot referendum.

Maryland Shield Laws

Chapters 248 and 249 generally prohibit the disclosure of mifepristone data or the diagnosis, procedure, medication, or related codes for abortion care and other sensitive health services (including reproductive health services other than abortion care) by a health information exchange, electronic health network, or health care provider. The Acts also define "legally protected health care" to mean all reproductive health services, medications, and supplies related to the provision of abortion care and other sensitive health services as determined by the Secretary of Health based on the recommendation of the Protected Health Care Commission.

Chapters 246 and 247 of 2023 generally (1) establish additional protections for information related to "legally protected health care" when that information is sought by another state; (2) prohibit a health occupations board from taking specified disciplinary actions related to the provision of legally protected health care; (3) prohibit a medical professional liability insurer from taking "adverse actions" against a practitioner related to the practice of legally protected health care; and (4) prohibit specified State entities, agents, and employees from participating in any interstate investigation seeking to impose specified liabilities or sanctions against a person for activity related to legally protected health care (with limited exception). Data related to legally protected health care is also generally protected from other states.

State Actions Following the Dobbs Decision

As of January 2025, 41 states have some type of abortion ban in place with limited exceptions. Twelve states (Alabama, Arkansas, Idaho, Indiana, Kentucky, Louisiana, Mississippi, Oklahoma, South Dakota, Tennessee, Texas, and West Virginia) have implemented total abortion bans. Twenty-nine states have abortion restrictions based on gestational duration, including 7 states that ban abortion at or before 18 weeks gestation and 22 states that ban abortion at some point after 18 weeks. All 41 states have an exception for a threat to the mother's life; 22 states have exceptions for a threat to the physical health of the mother; and 13 states have exceptions for a threat to the general health of the mother. Several states also have limited exceptions for rape (10 states), incest (9 states), or lethal fetal anomalies (12 states).