

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1187 (Delegate Nkongolo, *et al.*)
Health and Government Operations

Health Insurance - Scalp Cooling Systems - Required Coverage

This bill requires certain insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers) that provide coverage for chemotherapy to treat cancer to provide coverage for scalp cooling systems used for the preservation of hair in connection with the chemotherapy treatment. **The bill takes effect January 1, 2026, and applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.**

Fiscal Summary

State Effect: Minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) in FY 2026 only from the \$125 rate and form filing fee; review of filings can be handled with existing budgeted resources. State Employee and Retiree Health and Welfare Benefits Program expenditures increase by an indeterminate but likely minimal amount beginning in FY 2026, as discussed below.

Local Effect: Potential increase in health care expenditures for local governments that purchase fully insured plans. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: Under Maryland law, there are more than 50 mandated health insurance benefits that specified carriers must provide to their enrollees, including the following coverage regarding cancer chemotherapy, hair prosthesis, and standard fertility preservation procedures:

- Carriers that provide coverage for both oral and intravenous or injectable cancer chemotherapy are prohibited from imposing dollar limits, copayments, deductibles, or coinsurance requirements on coverage for orally administered cancer chemotherapy that are less favorable to an enrollee than those that apply to cancer chemotherapy administered intravenously or by injection. Carriers may not reclassify cancer chemotherapy or increase a copayment, deductible, coinsurance requirement, or other out-of-pocket expense imposed on cancer chemotherapy to achieve compliance with these prohibitions.
- For an enrollee or insured whose hair loss results from chemotherapy or radiation treatment for cancer, certain carriers must cover one hair prosthesis costing up to \$350. The prosthesis must be prescribed by the oncologist in attendance.
- Certain carriers must provide coverage for standard fertility preservation procedures that are (1) performed on a policyholder or subscriber or on the covered dependent of a policyholder or subscriber and (2) medically necessary to preserve fertility due to a need for medical treatment that may directly or indirectly cause iatrogenic infertility, including that caused by chemotherapy.

The federal Patient Protection and Affordable Care Act (ACA) requires nongrandfathered health plans to cover 10 essential health benefits (EHBs), which include items and services in the following categories: (1) ambulatory patient services; (2) emergency services; (3) hospitalization; (4) maternity and newborn care; (5) mental health and substance use disorder services, including behavioral health treatment; (6) prescription drugs; (7) rehabilitative and habilitative services and devices; (8) laboratory services; (9) preventive and wellness services and chronic disease management; and (10) pediatric services.

Under § 31-116 of the Maryland Insurance Article, EHBs must be included in the State benchmark plan and, notwithstanding any other benefits mandated by State law, must be the benefits required in (1) all individual health benefit plans and health benefit plans offered to small employers (except for grandfathered health plans) offered outside the Maryland Health Benefit Exchange (MHBE) and (2) all qualified health plans offered in MHBE.

State Expenditures: The State Employee and Retiree Health and Welfare Benefit Program is largely self-insured for its medical contracts and, as such, with the exception of the one fully insured integrated health model medical plan (Kaiser), is not subject to this mandate. However, the program generally provides coverage for mandated health insurance benefits.

The Department of Budget and Management advises that the program does not currently provide coverage for scalp cooling systems and that there are very few durable medical equipment providers who offer the devices. Program expenditures likely increase by a

nominal amount under the bill, depending on the number of cancer patients who elect to use a scalp cooling system.

Additional Comments: According to the American Cancer Society, scalp cooling is a type of therapy that might reduce hair loss caused by chemotherapy. Cooling caps (or cold caps) are automated scalp cooling systems regulated by the federal Food and Drug Administration (FDA). Frozen gel caps are manual scalp cooling devices not regulated by FDA. Medicare started covering FDA-approved automated scalp cooling systems in 2022 with a one-time benefit of up to \$1,850.

MIA advises that the bill does not apply to the nongrandfathered individual and small employer markets. Should the bill be amended to apply to all markets, the State would be required to defray the cost of the new mandate to the extent it applies to the individual and small group ACA plans.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Department of Budget and Management; Maryland Insurance Administration; Department of Legislative Services

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