

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 508
Finance

(Senator Henson)

Maryland Medical Assistance Program and Health Insurance - Required
Coverage for Aesthetic Services and Restorative Care for Victims of Domestic
Violence (Healing Our Scars Act)

This bill requires insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers), as well as Medicaid, to provide coverage to a victim of domestic violence for aesthetic services and restorative care provided for the treatment of physical injuries caused by domestic violence and determined to be medically necessary by a licensed physician. **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 special fund revenue increase for the Maryland Insurance Administration (MIA) in FY 2026 only from the \$125 rate and form filing fee; review of form filings can be handled with existing budgeted resources. Any impact on Medicaid and the State Employee and Retiree Health and Welfare Benefits Program (the State plan) is indeterminate, as discussed below. Medicaid expenditures would be subject to a 50% federal match if approved by the federal Centers for Medicaid and Medicare Services (CMS).

Local Effect: To the extent the bill increases the cost of health insurance, expenditures for local governments that purchase fully insured plans may increase. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: Under § 4-512 of the Family Law Article, “victim of domestic violence” means an individual who has received deliberate, severe, and demonstrable physical injury, or is in fear of imminent deliberate, severe, and demonstrable physical injury from a current or former spouse, or a current or former cohabitant. “Cohabitant” means a person who has had a sexual relationship with the respondent and resided with the respondent in the home for a period of at least 90 days within one year before the filing of a petition for a protective order.

Under Maryland law, there are more than 50 mandated health insurance benefits that specified carriers must provide to their enrollees. 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, including dental and vision care.

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 Fiscal Effect: As the bill does not define “aesthetic services and restorative care,” it is unclear which specific services must be covered under the bill. Furthermore, it is difficult to quantify the number of individuals who may be eligible for services under the bill. The Maryland Department of Health (MDH) notes that, while there are diagnosis codes providers may use to identify an individual as a victim of domestic violence, providers do not consistently use these codes in practice. Furthermore, domestic violence is often underreported.

Medicaid

MDH advises that Medicaid currently covers services that address physical injuries that occur during a physical altercation, including reconstructive surgery and restoration of function. Cosmetic services that are intended to improve a patient’s physical appearance but do not restore or materially improve a body function are not covered. Additionally, coverage for dental services through the adult benefits package may not cover all injuries

that could occur during a domestic violence altercation. At this time, Medicaid does not cover partial or full dentures or dental implants. The cost of providing these services may be significant, depending on the number of individuals who may require them.

Accordingly, to the extent Medicaid is required to cover additional services beyond those already covered, Medicaid expenditures increase by an indeterminate amount beginning in fiscal 2026. Expenditures would be subject to a 50% federal match if approved by CMS.

State Employee and Retiree Health and Welfare Benefits Program

The State plan is largely self-insured for its medical contracts and, as such, except for the one fully insured integrated health model medical plan (Kaiser), is not subject to this bill. However, the program generally provides coverage as otherwise required under State law.

The Department of Budget and Management advises that the requirement to cover aesthetic services and restorative care for victims of domestic violence likely has a fiscal impact on the program should it be required to cover additional services. However, without additional information, the impact cannot be reliably estimated at this time.

Additional Comments: 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.

Effective January 1, 2024, Illinois requires carriers and Medicaid to cover medically necessary “reconstructive services” (treatments performed on structures of the body damaged by trauma to restore physical appearance).

Additional Information

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

Designated Cross File: HB 381 (Delegate Martinez, *et al.*) - Health and Government Operations.

Information Source(s): Governor’s Office of Crime Prevention and Policy; Judiciary (Administrative Office of the Courts); Department of Budget and Management; Maryland Department of Health; Maryland Insurance Administration; Department of Legislative Services

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