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March 6, 2025

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

### **Senate Bill 848 – Public Health Abortion Grant Program - Establishment**

Dear Chair Beidle,

The League of Life and Health Insurers of Maryland, Inc. respectfully submits this *letter of information* relating to *Senate Bill 848 – Public Health Abortion Grant Fund – Establishment*.

Senate Bill 848 establishes the Public Health Abortion Grant Program for the purpose of providing grants to improve access to abortion care services. Under the provisions of the bill, the grant program would receive funds, in part, from excess premium collected by a carrier in accordance with §1303(b)(2)(B) of the Patient Protection and Affordable Care Act (“ACA”), and from funds appropriated by the state budget, interest, and any other source accepted for benefit of the program. Senate Bill 848 would require a carrier to, in cases where the funds collected by a carrier in accordance with §1303(b)(2)(B) of the ACA exceed certain amounts to use excess funds to support improving access to abortion care services in Maryland.

Since its enactment in 2010, Section 1303 of the ACA establishes several requirements with which Qualified Health Plan (“QHP”) issuers must comply in relation to coverage of certain abortion services. Notably, Section 1303 restricts the use of Federal funds from being used to pay for coverage by QHP’s of abortions for which payment would be inhibited by the Hyde Amendment. If a QHP seeks to cover abortion services, provisions of Section 1303 require the QHP to charge and collect at least \$1 per enrollee per month for such coverage, deposit the collected funds into a segregated account, and use only those segregated funds to pay for abortion services.

The provisions of Section 1303, specifically Section 1303(b)(2)(D), requires insurers to determine the amount of, and collect from its enrollees, a separate payment that equals the actuarially-determined cost of coverage for non-Hyde abortion services on an annual basis. Thus, if an insurer disburses funds for a non-Hyde abortion, it must draw those funds from the allocated amount residing in the covered individual’s segregated account. **According to a 2017 bulletin issued by the Center for Medicare and Medicaid**

**Services, funds in a covered individual’s segregated account *may not be used for any other purpose.***<sup>1</sup> Failure to comply with the requirements of Section 1303 may result in decertification or civil monetary penalties. League members appreciate the intent of Senate Bill 848, but we also must be aware of federal guidelines and our inability to operate outside of those parameters.

We also believe that this legislation could be considered a taking of the carrier’s property. The Fifth Amendment of the Constitution prohibits a state from taking property “without just compensation,” even if there is a compelling state interest, such as protecting access to abortion care. As noted in Armstrong v. United States (1960), “The Fifth Amendment’s [Takings Clause] . . . was designed to bar Government from forcing some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole.”

The League appreciates the opportunity to provide the aforementioned information on Senate Bill 848. We are happy to answer any questions and provide further information as the committee considers this piece of legislation.

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<sup>1</sup> Randy Pate, Director, Center for Consumer Information and Insurance Oversight, “CMS Bulletin Addressing Enforcement of Section 1303 of the Patient Protection and Affordable Care Act” (October 6, 2017).