

HOUSE BILL REPORT

SSB 5581

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to developing strategies to reduce or eliminate cost sharing for maternity care services and postpartum care.

Brief Description: Developing strategies to reduce or eliminate deductibles for maternal support services and postpartum care.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Muzzall, Robinson, Braun, Rivers, Warnick, Cleveland, Hasegawa, Kuderer, Lovelett, Shewmake, Wilson, C., Wilson, J. and Wilson, L.).

Brief History:

Committee Activity:

Health Care & Wellness: 3/17/23, 3/22/23 [DPA].

Brief Summary of Substitute Bill
(As Amended By Committee)

- Requires the Office of the Insurance Commissioner to conduct an analysis of how health plans define, cover, and reimburse for maternity care services and make recommendations regarding methods to reduce or eliminate cost sharing for maternity care services.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass as amended. Signed by 16 members: Representatives Riccelli, Chair; Bateman, Vice Chair; Schmick, Ranking Minority Member; Hutchins, Assistant Ranking Minority Member; Barnard, Bronoske, Davis, Graham, Harris, Macri, Mosbrucker, Orwall, Simmons, Stonier, Thai and Tharinger.

Staff: Emily Poole (786-7106).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background:

Federal law requires most health plans to cover maternity services, including childbirth and newborn care. These plans also must cover preventive services, including prenatal visits and screenings, gestational diabetes testing, folic acid supplements, tobacco cessation counseling and interventions, and breastfeeding services, without any cost sharing. Deductibles and other out-of-pocket expenses related to maternity and delivery services vary based on plan design.

Summary of Amended Bill:

The Office of the Insurance Commissioner (OIC) is required to conduct an analysis of how health plans define, cover, and reimburse for maternity care services, including prenatal, delivery, and postpartum care, and make recommendations regarding methods to reduce or eliminate deductibles and other forms of cost sharing for maternity care services.

In conducting the analysis, the OIC is required to obtain information regarding health plans offered by carriers with more than 1 percent accident and health market share and health plans offered to public employees to evaluate:

- how health plan benefit designs define maternity care services;
- whether and to what extent maternity care services are subject to deductibles and other cost sharing requirements;
- which maternity care services are considered preventive services under federal law and exempt from cost sharing;
- the five most used maternity care reimbursement methodologies used by each carrier; and
- with respect to reimbursement methodologies that bundle payment for maternity care services, which specific services are included in the bundled payment.

In conducting the analysis, the OIC is also required to estimate the total and per member per month impact on health plan rates of eliminating cost sharing for maternity care services in full, or for prenatal care only, for certain markets.

The OIC is required to submit a report on the findings and cost estimate to the Legislature by July 1, 2024. The report must also include recommendations for methods to reduce or eliminate deductibles and other forms of cost sharing for maternity care services. The OIC is permitted to contract for all or a portion of the required analysis.

Amended Bill Compared to Substitute Bill:

The amended bill strikes all provisions of the underlying bill and requires the Office of the Insurance Commissioner (OIC) to conduct an analysis of how health plans define, cover, and reimburse for maternity care services. The amended bill identifies certain information

to be evaluated as part of the analysis. It also requires the OIC to estimate the impact on health plan rates of reducing or eliminating cost sharing for maternity care services for specified markets.

The amended bill requires the OIC to submit a report on the findings and cost estimate to the Legislature by July 1, 2024, which must also include recommendations for methods to reduce cost sharing for maternity care services. The amended bill also permits the OIC to contract for all or a portion of the required analysis.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The costs for maternal and newborn care are very high, and many cannot afford these costs. This bill asks the Office of the Insurance Commissioner (OIC) to take a look at these costs. The OIC would welcome the opportunity to carefully review costs associated with maternity care services and identify options for reducing deductibles. The OIC has been supportive of the bill, and certain amendments were made as a result of collaboration with the OIC. The bill does represent a cost shift, but it is a worthy cost shift.

(Opposed) None.

Persons Testifying: Senator Ron Muzzall, prime sponsor; and Jane Beyer, Office of the Insurance Commissioner.

Persons Signed In To Testify But Not Testifying: None.