

SENATE BILL REPORT

SB 5075

As of February 20, 2025

Title: An act relating to cost sharing for prenatal and postnatal care.

Brief Description: Concerning cost sharing for prenatal and postnatal care.

Sponsors: Senators Muzzall, Cleveland, Bateman, Braun, Cortes, Dozier, Frame, Harris, Hasegawa, Krishnadasan, Riccelli, Shewmake, Trudeau, Warnick and Wilson, C..

Brief History:

Committee Activity: Health & Long-Term Care: 1/21/25, 2/13/25 [DPS-WM].
Ways & Means: 2/20/25.

Brief Summary of First Substitute Bill

- Prohibits health plans, including plans offered to public employees, from imposing cost sharing requirements on cover prenatal and postnatal services.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5075 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Cleveland, Chair; Orwall, Vice Chair; Muzzall, Ranking Member; Bateman, Chapman, Christian, Harris, Holy, Riccelli, Robinson and Slatter.

Staff: Greg Attanasio (786-7410)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Amanda Cecil (786-7460)

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: In 2023, the Legislature directed the Office of the Insurance Commissioner (OIC) to analyze how health plans define, cover, and reimburse for maternity care services, including prenatal, delivery, and postnatal care, and make recommendations regarding methods to reduce or eliminate deductibles and other forms of cost sharing for maternity care services. OIC contracted with Milliman to provide actuarial analysis and provided a report with five cost sharing elimination options, including eliminating cost sharing for all maternity services; prenatal services only; postnatal services only; labor and delivery services; and labor, delivery, and postnatal services only.

The report identified prenatal services as including office visits, laboratory services, ultrasound or imaging, prenatal screening tests, prescription drugs, and prenatal vitamins; and postnatal services as including office visits, lactation specialists, follow-up care for cesarian section, laboratory services, ultrasounds or imaging, prescription drugs, and counseling and therapy services. For the elimination of cost sharing for prenatal services, the report found a corresponding premium increase ranging from \$0.30 to \$1.01 per member per month and for the elimination of postnatal services depending on plan type, the report found a corresponding premium increase ranging from \$0.04 to \$0.10 per member per month depending on plan type.

Summary of Bill (First Substitute): Beginning January 1, 2026, nongrandfathered health plans, including plans offered to public employees, that provide coverage for maternity services may not impose any cost sharing requirements on covered in-network prenatal services including, but not limited to, office visits, laboratory services, ultrasounds and other imaging, prenatal screening tests, and prenatal vitamins, and covered in-network postnatal services including, but not limited to, office visits, lactation specialists, cesarian section follow-up care, laboratory services, ultrasounds and other imaging, and counseling and therapy services.

Beginning January 1, 2027, nongrandfathered health plans, including plans offered to public employees, that provides coverage for maternity services may not impose any cost-sharing requirements for prescription drugs prescribed to treat conditions related to pregnancy or pregnancy complications during the prenatal and postnatal periods.

For the purposes of this act, the prenatal services period begins on the date of service of the first claim received by the carrier for an enrollee that includes a pregnancy-related or pregnancy complication-related diagnosis code until the delivery or pregnancy end date. All claims for services that include a pregnancy-related or pregnancy complication-related diagnosis code during this period must be covered without cost-sharing. The postnatal services period extends for 12 weeks following delivery for all claims for services provided to an enrollee that include a pregnancy-related or pregnancy complication-related diagnosis code and from 12 weeks up to one year following delivery for all claims for services provided to an enrollee that include a pregnancy complication-related diagnosis code. During these periods, claims for services that include a pregnancy-related or pregnancy complication-related diagnosis code, as applicable, must be covered without cost sharing.

For a health plan that provides coverage for prenatal and postnatal services, and is offered as a qualifying health plan for a health savings account, the health carrier shall establish the plan's cost sharing for the coverage of prenatal and postnatal services at the minimum level necessary to preserve the tax exempt status of contributions and withdrawals from the health savings account.

EFFECT OF CHANGES MADE BY HEALTH & LONG-TERM CARE COMMITTEE (First Substitute):

- Prohibits cost sharing for in-network prenatal and postnatal services beginning January 1, 2026.
- Prohibits cost sharing for prescription drugs prescribed to treat conditions related to pregnancy or pregnancy complications during the prenatal and postnatal periods, beginning January 1, 2027.
- Defines the prenatal period from the first claim including a pregnancy or pregnancy complication related code until delivery.
- Defines the postnatal period as 12 weeks after delivery for all pregnancy and pregnancy complication related care, and from 12 weeks to one year post-delivery for all pregnancy complication related care.

Appropriation: None.

Fiscal Note: Available. (Fiscal note is on the underlying bill)

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Proposed Substitute (Health and Long-Term Care): *The committee recommended a different version of the bill than what was heard.*

PRO: This bill is intended to relieve the financial burden on expectant mothers. Providing access to complete care will reduce pregnancy complications. Pregnancy related care can result in significant cost to the patient. Patients often decline tests because of the cost and this can result in missing important information. Increasing access to care will result better outcomes.

OTHER: The bill needs to clarify definitions, including when the prenatal period starts. It is not clear how prescription drug cost sharing prohibition would work.

Persons Testifying (Health & Long-Term Care): PRO: Senator Ron Muzzall, Prime Sponsor; Ellie Mulpeter, Academy of Lactation Policy and Practice; Jane Beyer, Office of the Insurance Commissioner; Dr Annie Iriye, American College of Obstetricians and Gynecologists (ACOG).

OTHER: Jennifer Ziegler, Association of Washington Health Care Plans.

Persons Signed In To Testify But Not Testifying (Health & Long-Term Care): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: SSB 5075 is based on a report and recommendations from August 2024, aimed at improving maternal outcomes and addressing disparities in maternal morbidity and mortality by removing cost barriers to care. The expected fiscal impact is minimal, with the primary requirement being updates to the rate filing and review process to implement the bill.

OTHER: There are concerns about the prescription drug language including drugs that are on their formulary, which is a cost management tool. The point of sale system does not specify the purpose for which a drug is prescribed, and changing the system will require more time, suggesting a request for a 2028 implementation instead of 2027.

Persons Testifying (Ways & Means): PRO: Sydney Rogalla, The Office of the Insurance Commissioner .

OTHER: Jennifer Ziegler, Association of Washington Health Care Plans.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.