

# SB 155 (EVANS) MATERNITY COVERAGE AVAILABILITY ACT

## THE GOAL

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To ensure equitable maternity coverage in California by requiring health insurance in the individual market to cover maternity care.

## BACKGROUND

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Current law requires HMO and group insurers to include maternity services, but individually marketed plans are not subject to that requirement. As a result, cheaper "maternity-free" policies have increased. The percentage of policies containing maternity coverage has dropped from 82% in 2004 to only 19% in 2009, leaving a growing number of women priced out of the insurance market. In some geographic areas, policies may not even be available at any cost.

This effort has a significant cost-saving effect. Numerous studies have shown that prenatal care pays for itself by helping to minimize the prevalence and severity of low- and very low-birth weight babies. An ACOG study showed that each dollar cut from prenatal care would cost taxpayers up to \$3.33 in neonatal care for sick babies.

While maternity coverage is expected to be included in the policies of the Health Benefit Exchanges in 2014, the federal law may not cover all policies. Policies outside of the universal "exchange" or "grandfathered" in will not be required to carry it. Additionally, given the history over the last seven years, the market for policies will continue to deteriorate leaving women without options and causing greater sticker shock when this coverage is added in 2014.

## THIS BILL

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Requires any health insurer with a pending or approved individual or group health insurance policy form on file with DCI as of January 1, 2012, to submit to CDI, on or before March 1, 2012, a revised policy form that provides coverage for maternity services.

Requires new forms for individual or group policies submitted to CDI after January 1, 2012 to provide coverage for maternity services.

Requires that the corresponding policy, issues, amended, or renewed on or after 30 days following CDI's approval of the revised form, to include coverage for maternity services.

Defines maternity services to include prenatal care, ambulatory care maternity services, involuntary complications of pregnancy, neonatal care, and inpatient hospital maternity care, including labor and delivery, and postpartum care.

Exempts specialized health insurance, Medicare supplemental insurance, short-term limited duration health insurance, Civilian health and Medical Program of the Uniformed Services, supplemental insurance, or TRI-CARE Supplemental insurance, or hospital indemnity, accident-only, or specified disease insurance.

## PREVIOUS LEGISLATION

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Originally a Jackie Speier bill (SB 1555 in 2004), the measure was authored by Hector De La Torre three times (AB 1962 in 2008, AB 98 in 2009, and AB 1825 in 2010) and passed the Legislature with bipartisan support, but was vetoed by Governor Schwarzenegger.

## SUPPORT

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Sponsors: American Congress of Obstetricians and Gynecologists, District IX, (ACOG), the California Commission on the Status of Women and Kaiser Permanente.

Insurance Commissioner Dave Jones.

## OPPOSITION

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None yet received.

## FOR MORE INFORMATION

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