152nd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE SUBSTITUTE NO. 2 FOR HOUSE BILL NO. 110**
SPONSOR:	**Representative Minor-Brown**
DESCRIPTION:	**AN ACT TO AMEND TITLES 18, 29, AND 31 OF THE DELAWARE CODE RELATING TO INSURANCE COVERAGE FOR TERMINATION OF PREGNANCY.**

Assumptions:

1. This Act becomes effective January 1 following signature by the Governor.

2. This Act amends Delaware Code to require Medicaid, individual and group health carriers, and the State Employee Group Health Insurance Plan (GHIP) to provide coverage of services related to termination of pregnancy. Coverage of these services is not subject to any deductible, coinsurance, copayment, or any other cost-sharing requirement.

3. According to reporting from the Office of Vital Statistics, an average of 1,946 termination procedures were performed in Delaware from 2020 through 2022. Additionally, data from the Kaiser Family Foundation showed an average of 40% of live births in Delaware were Medicaid-eligible during the same period. Therefore, it is assumed that the same eligibility percentage will apply to termination procedures, resulting in approximately 778 eligible terminations annually.

4. This Act caps the maximum benefit to $750 per covered individual per year for services related to the termination. Per available claims and cost data from the Delaware Division of Medicaid and Medical Assistance and a survey of termination providers, non-surgical terminations are assumed to account for approximately 85% of total terminations, with an average cost of approximately $594 per termination. Therefore, it is assumed that 85% of terminations will not reach the maximum benefit cap of $750.

5. In addition, DMMA estimates a one-time cost of $250,000 for system upgrades and benefit design to support these changes.

6. Upon implementation, the GHIP will be required to remove copays and coinsurance associated with applicable services; as such, the Statewide Benefits Office confirmed annual costs will be incurred for the procedure and related services, including consultation, labs, and facility charges. These costs will be assumed by the GHIP and are estimated at $26,149 annually.

7. Costs are assumed to increase at a rate of 2% annually. For the first fiscal year of implementation, ongoing costs reflect a 6-month period to reflect the January 1 enactment.

8. To the extent that the provisions of this Act may be interpreted to constitute an essential health benefit (EHB) on Affordable Care Act (ACA) plans, there may be additional fiscal impacts to the State. Under ACA provisions (45 CFR 155.170), any benefit mandate enacted by the State beyond what is considered an EHB is subject to State defrayal of the estimated associated costs to the ACA plans.

Cost:

	Medicaid	**GHIP**	**One-Time**	**Total Costs**
Fiscal Year 2025 (6 months):	$240,192	$13,075	$250,000	$503,267
Fiscal Year 2026:	$489,992	$26,672	N/A	$516,664
Fiscal Year 2027:	$499,792	$27,205	N/A	$526,997

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