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August 07, 2024

Rep. Marcus Riccelli, Chair, House Health Care and Wellness Comm.
Sen. Annette Cleveland, Chair, Senate Health and Long-Term Care Comm.
Rep. Timm Ormsby, Chair, House Appropriations Comm.
Sen. June Robinson, Chair, Senate Ways & Means Comm.
Washington State Legislature
Olympia, WA 98504

Dear Rep. Riccelli, Sen. Cleveland, Rep. Ormsby, Sen. Robinson and members of the House and Senate health care and fiscal committees;

SSB 5581 (2023) and Sec. 142(19) of SB 5950 directed the Office of the Insurance Commissioner (OIC) to analyze how health plans define, cover, and reimburse for maternity care services and to make recommendations to the legislature related to eliminating or reducing cost-sharing for maternity care services. The OIC contracted with Milliman Inc. (Milliman) to perform actuarial and policy analysis for the report. Milliman obtained information from health carriers in Washington state on current benefit design and payment methodologies for coverage of maternity care services. They then determined the cost impact on premiums of several maternity care cost-sharing reduction or elimination scenarios. Seventy-eight health plan designs were submitted by the health carriers surveyed for this report. Overall, health plans did not differentiate cost-sharing between maternity and non-maternity services, except for prenatal and postnatal visits.

The full report from Milliman is attached for your review. For purposes of this report, maternity care services are defined as follows:

"…[R]outine health care services provided during the prenatal period, labor and delivery, and postnatal period, as well as care related to medical conditions exacerbated by pregnancy. Home birth services and supplies, doula services, behavioral health services, prescription drugs and therapy services, lactation services, and miscarriage and stillborn care are included in the definition…" (pg. 4)

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The OIC selected five cost-sharing scenarios for Milliman to model. In these scenarios, cost-sharing included deductibles, copayments, and coinsurance:

- Scenario 1: Cost-sharing eliminated for all maternity care services
- Scenario 2: Cost-sharing eliminated for prenatal maternity care services
- Scenario 3: Cost-sharing eliminated for postnatal maternity care services
- Scenario 4: Cost-sharing eliminated for labor and delivery maternity care services
- Scenario 5: Cost-sharing eliminated for labor, delivery, and postnatal maternity care services

For each of these scenarios, when cost sharing is eliminated, the modeling assumes that the services also would not be subject to deductibles.

The impacts of each of these scenarios are shown in the table below. Their impact varies substantially by market, with the greatest impacts in the individual and small group markets and lesser impacts in the large group market and PEBB/SEBB plans.

	Scenario 1 All Maternity Services	Scenario 2 Prenatal Only	Scenario 3 Postnatal Only	Scenario 4 Labor and Delivery Only	Scenario 5 Labor and Delivery and Postnatal
Baseline - Per Member Per Month					
Premium	$664.15	$664.15	$664.15	$664.15	$664.15
Enrollee Cost Share	$92.52	$92.52	$92.52	$92.52	$92.52
Actuarial Value	0.878	0.878	0.878	0.878	0.878
Post Mandate - Per Member Per Month					
Premium	$667.12	$664.67	$664.21	$665.57	$665.64
Enrollee Cost Share	$89.70	$92.02	$92.46	$91.14	$91.08
Actuarial Value	0.881	0.878	0.878	0.880	0.880
Difference - Per Member Per Month					
Premium	$2.97	$0.52	$0.06	$1.42	$1.49
Enrollee Cost Share	-$2.82	-$0.49	-$0.06	-$1.37	-$1.43
Actuarial Value	0.004	0.001	0.000	0.002	0.002
Difference - Total Annual Dollars					
Premium	$64,278,000	$11,127,000	$1,291,000	$31,456,000	$30,169,000
Enrollee Cost Share	-$62,120,000	-$10,715,000	-$1,241,000	-$30,709,000	-$29,532,000
Difference (as a % of baseline)					
Premium	0.4%	0.1%	0.0%	0.2%	0.2%
Enrollee Cost Share	-3.0%	-0.5%	-0.1%	-1.5%	-1.5%

Recommendations regarding methods to reduce or eliminate deductibles and other forms of cost-sharing for maternity care services.

Maternity care services are one of the most expensive medical services for child-bearing age people and are associated with an increased risk of medical debt for families. In 2023, a study published by the American College of Obstetricians and Gynecologists (ACOG) found that 18.3% of postpartum women had medical debt in collections[1]. The burden of medical debt on individuals is associated with delayed or deferred care, mood disorders, and mortality among adults.

OIC notes that when removing cost-sharing from one type of maternity care service, it may not lead to savings for the enrollee, but rather shift the expense to a different service.

OIC offers the following recommendations to reduce financial stress associated with maternity care costs and improve maternal outcomes in Washington State.

Recommendation #1: Eliminate cost-sharing for all prenatal services
Since the 1990s, studies have shown that people who have access to consistent, quality prenatal care have better maternal and infant outcomes. Consistent prenatal care is associated with fewer preterm births and higher birthweight infants. For mothers, consistent prenatal care also is associated with an overall decrease in maternal mortality.[2]

The actuarial analysis in the report includes the following as prenatal services: office visits, laboratory services, ultrasound/imaging, prenatal screening tests, prescription drugs, prenatal vitamins and treatment for any conditions that may impact the health outcomes of the mother or the baby. Eliminating cost-sharing for prenatal services would result in an estimated 0.1% per member per month premium increase for consumers – or a $0.52 PMPM increase. (pg.11).

Recommendation #2: Eliminate cost-sharing for all postnatal services
Access to and utilization of postnatal services have been a focus of attention due to the high percentage of pregnancy-related deaths that occur within one year of delivery. In Washington,

[1] Moniz, M. H., Stout, M. J., Kolenic, G. E., Carlton, E. F., Scott, J. W., Miller, M. M., & Becker, N. V. (2023). Association of Childbirth With Medical Debt. *Obstetrics and Gynecology (New York. 1953. Online)/Obstetrics and Gynecology*, *143*(1), 11–13. https://doi.org/10.1097/aog.0000000000005381

[2] Bellerose, M., Rodriguez, M., & Vivier, P. M. (2022). A systematic review of the qualitative literature on barriers to high-quality prenatal and postpartum care among low-income women. *Health Services Research*, *57*(4). https://doi.org/10.1111/1475-6773.14008

between 2014 and 2020, 62% of all pregnancy-related deaths occurred during this period.[3] Thirty two percent of these deaths were due to a behavioral health condition. The next leading causes were hemorrhage (12%) and infection (9%).[4] Access to affordable postnatal care is associated with higher utilization of postnatal services, such as contraceptive services and behavioral health services, and improved detection of cardiac complications, hypertension, and postpartum depression.[5]

Eliminating cost-sharing for postnatal services would not result in a premium increase for consumers. This is likely due to postnatal services accounting for less than 5% of total maternity costs and people having already met their deductible by the time they enter the postnatal phase. However, due to the unacceptably large number of deaths that occur during the postnatal period, removing any barriers to accessing care is crucial to ensuring equitable access and providing the most opportunities for interventions. Milliman modeled postnatal care coverage extending to 12 months after delivery. Thirty one percent of pregnancy-related deaths occurred six weeks to one year after delivery. Providing postnatal care for up to one-year post-delivery is consistent with the recommendations of ACOG and other clinician groups. Washington state's Medicaid program also covers postnatal care for up to one year after delivery.

Recommendation #3: Recognizing the value of coverage of midwife and doula services.
There are two types of midwives in Washington: licensed midwives and advanced registered nurse practitioner midwives. Doulas can both be certified or uncertified to practice in Washington. Midwives are regulated under Chapter 18.50 RCW and doulas are regulated under Chapter 18.47 RCW.

Midwives and doulas are associated with better outcomes for pregnant, birthing, and postpartum people. Midwives in particular have been linked to fewer emergency department visits for

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[3] Stein, B.-S., Sedano, C., Gardner, D., Silverman, E., Mentzer, K., Tibbs Christensen, T., & Shah, U. (2023). *Washington State Maternal Review Panel: Maternal Deaths 2017-2020* [Review of *Washington State Maternal Review Panel: Maternal Deaths 2017-2020*]. https://doh.wa.gov/public-health-provider-resources/public-health-system-resources-and-services/maternal-mortality-review-panel

[4] Stein, B.-S., Sedano, C., Gardner, D., Silverman, E., Mentzer, K., Tibbs Christensen, T., & Shah, U. (2023). *Washington State Maternal Review Panel: Maternal Deaths 2017-2020* [Review of *Washington State Maternal Review Panel: Maternal Deaths 2017-2020*]. https://doh.wa.gov/public-health-provider-resources/public-health-system-resources-and-services/maternal-mortality-review-panel

[5] Wang, X., Pengetnze, Y. M., Eckert, E., Keever, G., & Chowdhry, V. (2022). Extending Postpartum Medicaid Beyond 60 Days Improves Care Access and Uncovers Unmet Needs in a Texas Medicaid Health Maintenance Organization. *Frontiers in Public Health*, *10*. https://doi.org/10.3389/fpubh.2022.841832

postpartum people and increased rates of breastfeeding.[6] Doulas have been linked to more satisfactory birthing experiences, particularly for people of color.[7] Both are associated with higher rates of vaginal birth, increased satisfaction with the birthing experience, and better continuity of care. Use of midwifery and doula services also could help address current barriers to equitable and culturally competent care reported by people of color.[8]

We look forward to further discussion regarding this report. Please feel free to reach out with any questions.

Best,

Jane Beyer
Senior Health Policy Advisor

[6] Sorbara, C., Ray, J. G., Darling, E. K., Chung, H., Podolsky, S., & Stukel, T. A. (2024). Postpartum Emergency Department Use Following Midwifery-Model vs Obstetrics-Model Care. *JAMA Network Open*, *7*(4), e248676–e248676. https://doi.org/10.1001/jamanetworkopen.2024.8676

[7] Stein, B.-S., Sedano, C., Gardner, D., Silverman, E., Mentzer, K., Tibbs Christensen, T., & Shah, U. (2023). *Washington State Maternal Review Panel: Maternal Deaths 2017-2020* [Review of *Washington State Maternal Review Panel: Maternal Deaths 2017-2020*]. https://doh.wa.gov/public-health-provider-resources/public-health-system-resources-and-services/maternal-mortality-review-panel

[8] Stein, B.-S., Sedano, C., Gardner, D., Silverman, E., Mentzer, K., Tibbs Christensen, T., & Shah, U. (2023). *Washington State Maternal Review Panel: Maternal Deaths 2017-2020* [Review of *Washington State Maternal Review Panel: Maternal Deaths 2017-2020*]. https://doh.wa.gov/public-health-provider-resources/public-health-system-resources-and-services/maternal-mortality-review-panel