



Wisconsin Office of the
COMMISSIONER
OF INSURANCE

Tony Evers, Governor of Wisconsin
Nathan Houdek, Commissioner of Insurance

July 17, 2023

Mr. Michael J. Queensland
Senate Chief Clerk
State Capitol
P.O. Box 7882
Madison, WI 53707

Mr. Ted Blazel
Assembly Chief Clerk
17 West Main Street
Room 401
Madison, WI 53703

Re: Social and Financial Impact Report—2023 Senate Bill 341 & Assembly Bill 340—relating to coverage of maternity and newborn care under health insurance policies and plans and granting rule-making authority.

Dear Chief Clerks Queensland and Blazel:

Pursuant to Wis. Stat. § 601.423, the Office of the Commissioner of Insurance (OCI) is submitting a social and financial impact report on 2023 Senate Bill 341 & Assembly Bill 340, relating to coverage of maternity and newborn care under health insurance policies and plans and granting rule-making authority.

Coverage of Maternity and Newborn Care

OCI has determined that 2023 Senate Bill 341 & Assembly Bill 340 requires a social and financial impact report for the following reasons:

1. Provide coverage for the treatment of a particular disease, condition, or other health care need.
2. The provision requires coverage of a particular treatment, equipment, or drug.
3. Requires a particular benefit design or imposes conditions on cost-sharing under an insurance policy, plan, or contract for the treatment of a particular disease, condition, or other health care need, for a particular type of health care treatment or service, or for the provision of equipment, supplies, or drugs used in connection with a health care treatment or service.

SB 341/AB 340

These bills require all group and individual health insurance policies regulated by the state to include maternity and newborn coverage, as defined by the commissioner. The bills require that the benefit design for such coverage includes no or limited cost-sharing. Since federal law currently requires group and individual health plans to include maternity coverage, the impact of these bills will be to create a uniform maternity benefit that requires no or limited cost-sharing. Currently, insurers determine consumer cost-sharing. Newborn coverage benefits will also be aligned with the commissioner's benefit design.

Social Impact

The health insurance provisions outlined in the bill will affect Wisconsin consumers who utilize maternity coverage and newborn care through fully insured or non-federal, governmental self-funded plans. OCI cannot determine how many of those enrollees will need or use maternity or newborn coverage.

Out of pocket expenses for some enrollees using the coverage would likely be less than it is today due to the cost-sharing requirement of these bills. Enactment may increase the affordability of and access to maternity and newborn services for most insured consumers with plans impacted by the bill.

Financial Impact

OCI is unable to quantify the degree to which newly mandated coverages of maternity and newborn care would impact health insurance premiums. Direct expenses for the enrollees utilizing the benefit should be less in most cases given the no to low cost-sharing requirement.

OCI is unable to determine the extent to which this additional requirement could increase administrative and claims costs or how the proposed requirements on insurers may impact premium costs to consumers and employers.

Please contact Sarah Smith at (608) 209-6309 or Sarah.Smith2@wisconsin.gov if you have any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Nathan Houdek". The signature is fluid and cursive, with the first name being more prominent.

Nathan Houdek
Commissioner

Cc: The Honorable Tony Evers, Governor of Wisconsin