

PURPOSE OF BILL: HB 1009

To allow pregnancy as a Qualifying Life Event (QLE) eligible for enrollment in Healthcare Plans

ACTUARIAL STATEMENT

The Fiscal Impact Statement was prepared according to generally accepted actuarial principles and practices, in compliance with ACT 112. The Statement provides an estimate of the financial and actuarial effect of the proposed change(s) on the Plans, if possible. The Statement makes no comment or opinion with regard to the merits of the measure for which the Statement is prepared; however, any identified technical or mechanical defects have been noted.

We have reviewed the input and results of our analysis for reasonableness and relied upon the data and information provided by the Plans and their Claims Processing Contractors.

A handwritten signature in black ink, appearing to read "Patrick Klein".

3/11/2025

Patrick Klein, FSA, MAAA
Vice President, Segal

Date

A handwritten signature in black ink, appearing to read "Matthew Kersting".

3/11/2025

Matthew Kersting, FSA, MAAA
Vice President, Segal

Date

PROJECTED COSTS

Plan	Plan Design Change	Annual Cost Estimate
EBD	Treating Pregnancy as a QLE to allow for enrollment in Healthcare Plans	\$0 - \$400,000

PRICING APPROACH AND COMMENTS

House Bill 1009 requires the State to allow pregnancy as a Qualifying Life Event (QLE) for enrollment in their health benefit plan whereas midyear election changes are currently permitted for only marriage, divorce, birth/adoption, gain/loss of other coverage. Under Section 125 of the IRS code and HIPAA Portability and Nondiscrimination requirements, pregnancy is not a QLE triggering a special enrollment period to enroll in health plans outside of being a new hire, newly eligible, or during the Annual Open Enrollment.

We assume that majority of employees and dependents who are eligible for State Health Plan, but chose not to enroll have medical coverage available to them from another source and will not be inclined to switch in the event of pregnancy. For the purpose of estimating the cost impact of HB1009, we assumed 5% of active plan population is eligible for the plan and will enroll only if they become pregnant.

According to State Plan's data, approximately 1,000 babies are born on the plan every year. Assuming a similar fertility rate in the eligible population outside of the plan, 50 expectant mothers can become eligible annually. Open Enrollment would come up at some point of pregnancy for approximately 75% of them, so additional costs of providing coverage to this group will only be a few months of prenatal care. The remaining 25% will incur full cost of prenatal care as well as delivery-related expenses, which are projected to be around \$24,000 in CY2026.

Overall, we expect this bill to cost EBD less than \$400,000 or 0.1% of total medical claims. Costs may be further offset by additional contributions and reduced delivery and newborn care expenses, due to proper prenatal care received by expectant mother.