

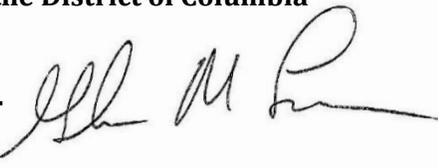
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer 

DATE: November 15, 2024

SUBJECT: Fiscal Impact Statement - Insurance Regulation Amendment Act of 2024

REFERENCE: Bill 25-696, Draft Committee print as provided to the Office of Revenue Analysis on November 12, 2024

Conclusion

Funds are sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill.

Background

The bill requires¹ medical malpractice insurers to not take adverse actions against a health care practitioner based solely on the fact that the practitioner provided a patient with reproductive health care and gender-affirming care. The bill also prohibits adverse action against a health care practitioner whose license, registration, or certification in another state was revoked, suspended, or restricted for providing reproductive health care or gender-affirming care allowed under District law. Prohibited adverse actions include:

- Refusing to issue or renew a medical malpractice or medical professional liability policy;
- Charging higher rates for a medical malpractice or medical professional liability policy;
- Canceling or terminating a medical malpractice or medical professional liability policy; and
- Imposing any sanctions, fines, penalties, or rate increases.

¹ By amending An Act to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes, approved May 20, 1968 (62 Stat. 242; D.C. Official Code § 31-2701 et seq.).

The Honorable Phil Mendelson

FIS: "Insurance Regulation Amendment Act of 2024," Bill 25-696, Draft Committee Print as provided to the Office of Revenue Analysis on November 12, 2024

The prohibitions apply regardless of where a patient or client resides, including if the patient is a resident of a state where the provision or facilitation of certain reproductive health care services or gender-affirming care is illegal.

The bill requires² individual health plans and group health plans to provide coverage for abortion-care services, including follow-up services for an enrollee. No individual health plan or group health plan can impose any deductible, coinsurance, copayment, or other cost-sharing requirement on an enrollee for the coverage required by this section; except, that an individual health plan or group health plan may require a deductible, co-payment, or cost sharing for coverage for abortion-care services for an enrollee covered by a high deductible health plan.³ This abortion-care coverage requirement does not apply to health insurance coverage through Medicaid, the Healthcare Alliance program, or the Immigrant Children's Program.

The bill also mandates that individual health plans and group health plans provide coverage for voluntary sterilization procedures and services and that no cost-sharing requirements or medically unnecessary restrictions or delays on voluntary sterilization procedures and services can be imposed. An individual health plan or group health plan may require a deductible, co-payment, or cost-sharing for coverage of voluntary sterilization procedures and services for an enrollee covered by a high-deductible health plan.⁴

Financial Plan Impact

Funds are sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill.

The Department of Insurance, Securities, and Banking (DISB) regulates medical malpractice insurers and medical professional liability insurers in the District. DISB can monitor medical malpractice insurers and medical professional liability insurers for compliance with the adverse action prohibitions included in the bill with existing resources. Requiring that private individual and group health plans cover abortion-care services and voluntary sterilization procedures does not have a cost to the District. The District's Medicaid, Healthcare Alliance program, and Immigrant Children's Program are exempt from covering abortion care services and already cover voluntary sterilization procedures. No additional resources are necessary to implement the bill.

² By amending The Women's Health and Cancer Rights Federal Law Conformity Act of 2000, effective April 3, 2001 (D.C. Law 13-254; D.C. Official Code § 31-3831 et seq.).

³ If required by federal law as defined in section 223(c)(2) of the Internal Revenue Code of 1986 (117 Stat. 2471; 26 U.S.C. § 223(c)(2)).

⁴ Id.