

Bill Summary

This bill would make pregnancy a **qualifying event for special enrollment** into individual health benefit plans. It would also mandate that health plans and policies cannot restrict or deny coverage for **maternity, newborn, or pediatric care services** for any pregnant person, regardless of the circumstances of conception (i.e. surrogates or gestational carriers).



Context

The California benchmark health plan allows insurers to seek reimbursement for maternity services from pregnant people who are entered into a legally binding contract identifying them as a surrogate or gestational carrier.



Among enrollees in plans subject to state mandates, **83%** are in plans or policies that seek reimbursement for maternity services from surrogates or gestational carriers.

Insurance Subject to the Mandate

In 2026, **13.6 million** Californians (**36%** of all Californians) enrolled in state-regulated health insurance would have insurance subject to SB 257.

- CDI and DMHC-Regulated** (Commercial and CalPERS)
- Medi-Cal**
- Federally Regulated** (Medicare, self-insured, etc.)

Cost Impacts

SB 257 would increase annual net expenditures by **\$69,945,361 (0.04%)**.

Overall enrollee expenses for covered benefits would **increase, with more people having insurance**, but expenses for previously noncovered benefits would **decrease, as pregnancy services would be covered postmandate**.



Utilization

Postmandate, an estimated **6,368** people would gain coverage.

At baseline, average maternity costs for pregnant enrollees are **\$21,700**, and dependents' costs in the individual market average **\$7,420**; these are expected to remain unchanged postmandate. Currently, surrogates with noncompliant plans pay **\$20,000** for maternity services. Postmandate, insurers would cover **\$17,230**, with **\$2,770** as enrollee cost.



Medical Effectiveness & Public Health Impacts

CHBRP found:



- **Strong evidence** that maternity services improve outcomes for infants and mothers
- **Some evidence** that special enrollment periods increase insurance uptake among pregnant people
- **Not enough research** has been conducted to determine whether special enrollment periods or presumptive eligibility for health insurance for pregnant people improve utilization of maternity services



Given this evidence, the impact of SB 257 on short-term or long-term public health outcomes is **unknown**.