

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6662

BILL NUMBER: SB 198

NOTE PREPARED: Dec 31, 2025

BILL AMENDED:

SUBJECT: Pregnancy and Childbirth Matters.

FIRST AUTHOR: Sen. Hunley

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Insurance Coverage:* This bill requires a State Employee Health Plan, a policy of accident and sickness insurance, and a health maintenance organization contract to:

- (1) grant an exception to a step therapy protocol for a prescription drug prescribed for the treatment of postpartum depression that is not indicated by the federal Food and Drug Administration for postpartum depression on the prescription drug's approved labeling;
- (2) provide coverage for biomarker testing for preeclampsia, doula services, mental health screenings, and treatment for maternal mental health; and
- (3) develop a maternal mental health program.

It sets forth requirements for screening for preeclampsia using biomarker testing. It also requires Medicaid pregnancy services to include reimbursement for doula services and biomarker testing for preeclampsia.

Substance Use Disorder Program: This bill requires the Division of Mental Health and Addiction to develop and implement a program for pregnant women and children with a substance use disorder.

Information and Training: This bill requires the Office of Women's Health to: (1) develop, maintain, and disseminate certain information concerning resources that are available to pregnant women and new mothers; and (2) provide continuing education courses concerning postpartum depression and other related mental health disorders. It requires a hospital or birthing center to, before a patient's discharge from the hospital or birthing center following birth, provide the patient with information concerning postpartum depression and other related mental health disorders. It also requires certain health care practitioners to screen caregivers for signs and symptoms of postpartum depression or other related mental health disorders and provide a referral for the caregiver if the screening is positive for a mental health disorder.

Hoosier Family Leave Insurance Program and Fund: This bill establishes the Hoosier Family Leave Insurance Program and the Hoosier Family Leave Insurance Trust Fund.

Discrimination: This bill prohibits an employer from discriminating against an employee who has a condition related to pregnancy or childbirth. It repeals a chapter regarding pregnancy and childbirth accommodation.

Effective Date: July 1, 2026.

Explanation of State Expenditures: Summary: The bill is estimated to increase state expenditures by at least \$7.76 M per year for the services required to be covered under Medicaid and the State Employee Health Plan (SEHP). In addition, there will be an indeterminate increase in state expenditures, and workload for the State Personnel Department (SPD) and the Department of Workforce Development (DWD), to implement the required maternal mental health program under the SEHP and the Hoosier Family Leave Insurance Program, respectively.

Additional Information:

Medicaid: Medicaid is jointly funded between the state and federal governments. The state share of costs for most Medicaid medical services for FFY 2026 is 35% and 10% for the age 19 to 64 expansion population within HIP. The state share of administrative costs is 50%. The state share of most Medicaid expenditures is paid from General Fund appropriations, and state dedicated funds primarily cover HIP costs.

Doula Services: Providing doula services for every birth covered by Medicaid or the SEHP is estimated to increase the state share of Medicaid expenditures by \$6.6 M to \$11.5 M per year and SEHP expenditures by \$613,000 to \$1.1 M per year. However, actual expenditures will depend on the number of certified doulas available to provide services for each birth covered.

Medicaid reimbursement rates for doula services vary by state. Some states offer a maximum reimbursement amount for a doula service package containing delivery and all related visits (prenatal, perinatal, and postpartum). Package rates range from \$859 to \$1,500 per pregnancy. (Other states reimburse delivery and each visit separately with a maximum number of allowed visits per pregnancy.)

In Indiana, Medicaid paid for an average of 39,470 births per year between CY 2021 and 2024 (of which 62% were covered under HIP), and the SEHP paid for 714 births in 2024. Using the package rate range for doula services, and applying the state share of 10% for births under the Healthy Indiana Plan (HIP) and 35% to other Medicaid births, the bill is estimated to increase state expenditures between \$7.2 M and \$12.7 M per year. This estimate assumes all pregnant women under Medicaid and the SEHP utilize doula services and all SEHP members have met their annual deductible prior to receiving doula services.

The recommended number of clients per doula per year ranges between 20 to 30. Based on this, it is estimated the state would require between 1,350 and 2,000 certified doulas to meet demand for women covered under Medicaid and the SEHP.

Preeclampsia Biomarker Testing: Covering biomarker testing for preeclampsia is expected to increase the state share of Medicaid expenditures by \$500,000 per year and SEHP expenditures by \$46,000 per year. The actual costs will depend on the number of pregnancies under Medicaid and the SEHP and the percentage of mothers receiving a serum biomarker test.

Based on fee schedules from two other states, one serum biomarker test used to screen for preeclampsia [CPT code 0243U] has an average cost of \$64.41. The SEHP currently covers regular blood pressure checks (as part of prenatal care), as well as routine tests performed during pregnancy such as urine protein analysis, renal function labs, liver function labs, and complete blood count. These tests may help screen for preeclampsia. However, the SEHP does not currently cover serum biomarker tests to screen for preeclampsia.

Maternal Mental Health Screenings and Program: The bill requires the SEHP to (1) bypass step therapy protocols for prescriptions that treat postpartum depression, (2) cover the treatment for maternal mental health, and (3) implement a maternal mental health program that will incentivize training opportunities for contracting obstetric providers, educate covered individuals about the program, and provide at least two mental health screenings (one during pregnancy and one after) for pregnant women covered under the SEHP.

Implementing this program will have an indeterminate increase in costs and workload for SPD depending on the type and utilization of mental health treatments and prescriptions provided. Requiring a second mental health screening for each pregnant woman covered by the SEHP is estimated to increase state expenditures by about \$3,650 per year based on the average Indiana Medicare cost of \$5.10 for a common depression screening provided to mothers (CPT code 96127).

Hoosier Family Leave Insurance Program and Fund: The bill's requirement to establish and administer the Hoosier Family Leave Insurance Program represents significant additional workload and expenditures for DWD outside of the agency's routine administrative functions, both during the start-up phase and going forward. Expenditures for the program could not begin until DWD determines, based on an actuarial analysis, that projected contributions would be sufficient to pay projected benefits and administrative expenses.

The program would be funded by contributions from covered individuals, voluntary employer contributions, and interest earned by the newly established Hoosier Family Leave Insurance Trust Fund. The cost of administering the program shall be paid from the fund and benefit payments could not exceed the balance available in the fund. Additional funding for the program would likely be needed to fund start-up costs. The bill directs DWD to use existing personnel, systems, and infrastructure used for the unemployment compensation system or other wage reporting programs to the greatest extent practicable. Any additional funds and resources required to start up the program could be supplied through existing staff and resources currently used in another program or with new appropriations.

The bill allows DWD to contract with a third party administrator or a licensed insurer to perform some or all of the administrative functions. The bill also requires DWD to use an independent actuary to set the contribution rate and annually evaluate the actuarial soundness of the fund.

Weekly benefits would vary depending on employee wages up to a maximum payment equal to the average state weekly wage for up to 12 weeks per year. Weekly benefits would equal 60% of a covered individual's weekly wage up to a maximum. The maximum will be set by DWD between 50% and 60% of the state average weekly wage at a level in order to maintain fund solvency. DWD could also adopt a tiered benefit formula to ensure that lower wage workers receive a proportionally greater wage replacement.

State agencies would have additional workload to withhold and remit employee contributions from their wages to the program. If state agencies elect to make voluntary contributions to the program on behalf of covered individuals, state expenditures would increase. [This bill has the potential to impact all agencies as employers, thus impacting all funds that provide operating funds to agency staff.]

The state of Colorado has a paid family and medical leave program which became law in 2020. Employers began payroll contributions for the program in January 2023, and employees can take the paid leave as of January 2024. Administrative expenses for the program totaled \$2.9 M in FY 2022, \$23.3 M in FY 2023, \$62.7 M in FY 2024, and \$84.7 M in FY 2025.

Substance Use Disorder Program: The cost of a program to help women and children with substance use

disorder is indeterminate, depending on the availability of federal funds, the cost of care, and whether the existing Pregnancy Promise Program will fulfill the requirements of the bill. The bill allows the Family and Social Services Administration (FSSA) to partner with the Indiana Department of Health (IDOH) to develop and implement the required program. If IDOH partners with FSSA, workload would increase for IDOH but should be able to be implemented using existing staff and resources. *[The IDOH's administrative expenditures are currently paid from the Tobacco Master Settlement Fund, a dedicated fund.]*

Discrimination: The bill may increase the number of complaints received by the Indiana Civil Rights Commission (ICRC) concerning discriminatory employment practices against an employee who has a condition related to pregnancy or childbirth. This will increase the workload of the ICRC depending on the number and nature of the complaints and claims received. The bill also requires the ICRC to develop educational materials to inform employers and individuals regarding these changes. These requirements should be able to be implemented using existing staff and resources.

Workload may also increase for the Office of Administrative Law Proceedings if additional administrative law judges are appointed to assist the ICRC in making decisions regarding civil rights complaints.

If state educational institutions or state agencies (as employers) are subject to civil actions under this bill, the state could see increased costs for attorney's fees and costs of prosecution. [This bill has the potential to impact all agencies as employers, thus impacting all funds that could provide operating funds to agency staff.] Also, the bill would create administrative workload for SPD to change its current standardized policies for pregnant and nursing mothers. This should be able to be implemented with current resources.

Insurance Coverage: The bill's requirements will increase workload for the Indiana Department of Insurance (DOI) to ensure compliance, but should be able to be implemented using existing staffing and resources. *[The DOI is funded through a dedicated agency fund.]*

Information and Training: The bill will increase workload for the Professional Licensing Agency to notify practitioners of changes regarding postpartum depression screening requirements. It will also increase workload for IDOH's Office of Women's Health and FSSA to develop, maintain, and disseminate information as prescribed in the bill. The bill requires the Office of Women's Health to provide health care providers with continuing education courses on mental health topics at no cost. The IDOH currently partners with various entities, including Indiana University, that provide free continuing education courses on various health topics.

Explanation of State Revenues: *Summary:* The bill may increase state General Fund revenue from corporate Adjusted Gross Income Tax or Insurance Premium Tax collections, civil penalties, and court fees. Also, the newly established Hoosier Family Leave Insurance Trust Fund would receive revenue from contributions from covered individuals and voluntary employer contributions.

Additional Information:

Hoosier Family Leave Insurance Program and Fund: The trust fund would receive revenue from contributions from covered individuals, voluntary employer contributions, and interest and earnings on investments in the Hoosier Family Leave Insurance Trust Fund. The initial contribution rate would be 0.5% of the lesser of covered individual's wages or 0.5% of the Social Security wage base or another wage cap set by the DWD. Total payroll for employers whose workers are covered by unemployment insurance in Indiana during FY 2024 was \$191 B. If the 0.5% contribution amount was applied to all total payroll covered

by unemployment insurance, the program could generate annual revenue of \$9.6 B. After obtaining an independent actuarial analysis, the contribution rate for the program could be adjusted to between 0.4% and 0.6% of the wage base set by DWD.

Insurance Coverage: The bill requires insurers to provide coverage for biomarker testing for preeclampsia, doula services, mental health screenings, and treatment for maternal mental health. It also requires insurers to develop a maternal mental health program, as prescribed in the bill. If these requirements result in increased premiums then revenue to the state General Fund could increase from either corporate Adjusted Gross Income Tax or Insurance Premium Tax collections.

Civil Penalty: The DOI may impose a civil penalty of up to \$25,000 against an HMO for each violation of the bill's provisions. Civil penalty revenue will be deposited into the state General Fund.

Discrimination: If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

Explanation of Local Expenditures: *Insurance Coverage:* Local entities providing health insurance through a policy of accident and sickness, or a health maintenance organization may have increased costs if additional services are provided.

Hoosier Family Leave Insurance Program and Fund: To the extent local units of government as employers make voluntary contributions to the programs on behalf of their employees, local expenditures could increase by an indeterminable amount. Local units would also be required to withhold and remit employee contributions from employees' wages.

Discrimination: If local units as employers are subject to civil actions under this bill, the local unit could see increased costs for attorney's fees and costs of prosecution.

Information and Training: The bill will increase workload for locally owned hospitals provide certain patients with information on postpartum depression and other related mental health disorders.

Explanation of Local Revenues: *Discrimination:* If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

State Agencies Affected: State Personnel Department; Indiana Department of Health; Family and Social Services Administration; Department of Workforce Development; Indiana Civil Rights Commission; Office of Administrative Law Proceedings; Professional Licensing Agency; Indiana Department of Insurance; all state agencies as employers.

Local Agencies Affected: Trial courts, city and town courts; local units offering health plans; locally owned hospitals; all local units as employers.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual; IC 27-13-24-1.

Insurance Coverage:

Christy Tittle, SPD; Liza Sherman, FSSA;
in.gov/fssa/ompp/files/Doula-Project_Recommendations.pdf;
nashp.org/state-tracker/state-medicaid-approaches-to-doula-service-benefits;
iga.in.gov/publications/agency_report/2024%20Annual%20Report%20-%20Medicaid%20Effectiveness%20Evaluation.pdf;
preeclampsia.org/what-is-preeclampsia; www.in.gov/health/lhd/programs;
labor.arkansas.gov/wp-content/uploads/2025LabFeeSchedule.pdf;
medicaidprovider.mt.gov/docs/feeschedules/2024/July2024LabServicesFeeSchedule.pdf;
www.cms.gov/medicare/physician-fee-schedule/search?Y=0&T=4&HT=0&CT=3&H1=96127&M=5.

Hoosier Family Leave Insurance Program and Fund:

Abt Associates. (2020, July). Employee and Worksite Perspectives of the Family and Medical Leave Act: Executive Summary for Results from the 2018 Surveys.

www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/WHD_FMLA2018SurveyResults_ExecutiveSummary_Aug2020.pdf; Transparency Online Project - State Government Revenue and Expenditures in Colorado, data.colorado.gov/stories/s/fjf-bdat; Colorado Family and Medical Leave Insurance Program (FAMLI). famli.colorado.gov; U.S. Department of Labor Employment and Training Administration. Data Downloads. ETA 204 - Experience Rating Report. oui.doleta.gov/unemploy/DataDownloads.asp.

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