

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

House Bill 738
Economic Matters

(Delegate Kagan, *et al.*)

Finance

Health Insurance - In Vitro Fertilization - Conditions for Provision of Benefits

This bill creates an exception to requirements for in vitro fertilization (IVF) health insurance benefits by providing that fertilization of the patient's oocytes with the patient's spouse's sperm is not required if it is impracticable because of the spouse's infertility. This exception does not apply if the cause of the spouse's infertility is due to elective sterilization or its unsuccessful reversal.

The bill's provisions apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after October 1, 2002.

Fiscal Summary

State Effect: If the State chooses to include the bill's mandated benefit as part of the State Employee Health Benefits Plan, expenditures could increase. Minimal general fund revenue increase from the State's 2% insurance premium tax on for-profit carriers. Minimal special fund revenue increase for the Maryland Insurance Administration from the \$125 rate and form filing fee. No effect on Medicaid.

Local Effect: Expenditures for local jurisdiction employee health benefits could increase by an indeterminate amount depending upon the current type of health care coverage offered and number of enrollees. Revenues would not be affected.

Small Business Effect: Potential minimal.

Analysis

Current Law: In order for IVF benefits to be covered by a health insurer, nonprofit health service plan, or HMO (carrier), a patient's oocytes must be fertilized with the patient's spouse's sperm. In order to be eligible for coverage under this mandate, the patient and the patient's spouse must have a history of infertility of at least two years, or the infertility must be associated with: (1) endometriosis; (2) exposure in utero to DES; (3) blockage of or surgical removal of one or both fallopian tubes; or (4) abnormal male factors, including oligospermia. A carrier may limit IVF benefits to three IVF attempts per live birth, not to exceed a maximum lifetime benefit of \$100,000.

Background: The Maryland Health Care Commission's (MHCC) annual report, *Mandated Health Insurance Services Evaluation* (December 1999), addressed the issue of IVF costs. The report indicated that the average cost for IVF treatment is between \$8,000 and \$12,000 per cycle, including the cost of prescription drugs. Approximately 8% of the reproductive age population is considered to be infertile, but only half of those with infertility problems seek treatment. MHCC's report indicated that only a small fraction of those who seek treatment actually receive treatment by assisted reproductive technologies such as IVF.

Male-related factors account for up to 40% of infertility. Female-related factors also account for 40% of infertility. The remaining 20% is due to a combination of male and female factors. Oligospermia (low sperm count) is not the same as infertility, but it can cause failure to conceive. Many men who suffer from oligospermia can be helped by IVF, but extreme cases, such as those with less than 100,000 spermatozoa per milliliter of semen, are unlikely to find success through conventional test-tube techniques.

State Fiscal Effect: Currently, the State Employee Health Benefits Plan provides IVF benefits to its enrollees, up to three attempts per lifetime. Like the mandate for the commercial market, this benefit is limited to married couples. The State has both self-insured and fully-insured health plans. The State is not required to cover mandated benefits under its self-insured plans, but it has generally done so in the past. If the State chooses to include this benefit, State plan expenditures could increase. There are insufficient data at this time to reliably estimate an increase. State plan expenditures assume a fund mix of 60% general funds, 20% federal funds, and 20% special funds; and 20% of expenditures are reimbursable through employee contributions.

Small Business Effect: Small businesses (fewer than 50 employees) purchase the Comprehensive Standard Health Benefit Plan (CSHBP), which is exempt from including mandated benefits in its coverage. All carriers participating in the small business market must sell the CSHBP to any small business that applies for it. A small business may

purchase riders to expand the covered services. In addition, the Maryland Health Care Commission takes mandated benefits into consideration when reevaluating the CSHBP benefit package. Small business health insurance costs may increase if carriers increase their premiums as a result of this bill. Any increase is assumed to be minimal.

Additional Information

Prior Introductions: HB 1031 of 2000 attempted to repeal the limitation that IVF benefits be provided only for married couples. The bill was reported unfavorably by the House Economic Matters Committee.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Budget and Management (Employee Health Benefits), Department of Legislative Services

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