

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 1089 (Delegate Waldstreicher, *et al.*)
Health and Government Operations

Health Insurance - Coverage of In Vitro Fertilization Services

This bill expands the grounds on which a couple may qualify for mandatory health insurance coverage of in vitro fertilization (IVF) services to include when a physician specializing in infertility determines that the patient and the patient's spouse have a history of infertility and that waiting for two years before an IVF attempt would be detrimental to the patient or the prospective child.

Fiscal Summary

State Effect: Minimal special fund revenue increase for the Maryland Insurance Administration (MIA) from the \$125 rate and form filing fee in FY 2010. The review of rate filings can be handled within existing MIA resources. Expenditures for the State Employee and Retiree Health and Welfare Benefits Program (State plan) increase by an estimated \$101,300 in FY 2010 to cover IVF services within the current two-year waiting period. Future years reflect annualization and medical inflation.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
SF Revenue	-	\$0	\$0	\$0	\$0
GF Expenditure	\$60,800	\$86,700	\$92,700	\$99,200	\$106,200
SF Expenditure	\$20,300	\$28,900	\$30,900	\$33,100	\$35,400
FF Expenditure	\$20,300	\$28,900	\$30,900	\$33,100	\$35,400
Net Effect	(\$101,300)	(\$144,500)	(\$154,600)	(\$165,400)	(\$177,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Any impact on local government expenditures is assumed to be minimal.

Small Business Effect: None. The bill does not apply to the small group health insurance market.

Analysis

Current Law: Carriers that provide pregnancy-related services may not exclude benefits for all outpatient expenses arising from IVF procedures performed on the policyholder or subscriber or the dependent spouse of the policyholder or subscriber. Benefits must be provided to the same extent as other pregnancy-related procedures for insurers and nonprofit health service plans and other infertility services for health maintenance organizations.

To qualify for IVF benefits (1) the patient must be the policyholder or subscriber or the dependent spouse of the policyholder or subscriber; (2) the patient's eggs must be fertilized with the spouse's sperm; (3) the patient and the patient's spouse must have a history of infertility of at least two years duration or infertility associated with endometriosis, diethylstilbestrol exposure, blockage or removal of one or more fallopian tubes, or abnormal male factors; (4) the patient must have been unable to attain a successful pregnancy through a less costly infertility treatment available under the policy or contract; and (5) the IVF procedures must be performed at specified medical facilities. IVF benefits may be limited to three IVF attempts per live birth, not to exceed a maximum lifetime benefit of \$100,000.

Background: According to the American Society for Reproductive Medicine, infertility is defined as an inability to conceive within 12 months. About 6.1 million couples nationally (10% of couples of childbearing age) experience infertility.

In IVF, eggs are surgically removed from the ovary and mixed with sperm outside the body. After about 40 hours, the eggs are examined to see if they have become fertilized by the sperm and are dividing into cells. These fertilized eggs (embryos) are placed in a woman's uterus, bypassing the fallopian tubes. While IVF accounts for less than 5% of all infertility treatment in the United States, it is often the most successful method of achieving pregnancy for infertility related to blocked or absent fallopian tubes or low sperm counts.

In Maryland, there were 4,078 IVF cycles reported by the federal Centers for Disease Control and Prevention in 2005. This equates to an incidence of approximately 6 per 1,000 women of childbearing age or 1 per 1,000 for all individuals covered by insurance.

Every four years, the Maryland Health Care Commission (MHCC) examines the fiscal impact of mandated health insurance benefits. In 2008, MHCC found that these benefits account for 15.4% of total premium costs for group health insurance and 18.6% of total premium costs for individual policies. IVF treatment accounts for 0.8% of total premium costs for group health insurance and 1% of total premium costs for individual policies.

State Expenditures: By allowing a couple to qualify for IVF services upon determination by a physician that the patient and the patient's spouse have a history of infertility and that waiting for two years before an IVF attempt would be detrimental to the patient or the prospective child, the bill allows individuals to access IVF services sooner.

To the extent individuals covered under the State plan access IVF services within a shorter timeframe, eventual State plan expenditures could be incurred sooner than they would be under current law. While it is unknown exactly how many individuals would gain access to IVF benefits within a shorter timeframe, the Department of Budget and Management estimates that the bill increases State plan expenditures on IVF services by \$101,250 in fiscal 2010 (reflecting the bill's October 1, 2009 effective date and approximately 3% of annual expenditures on IVF services). In fiscal 2008, the State plan incurred \$4.5 million in claims for IVF services. This estimate assumes immediate coverage as specified under the bill as it is an extension of an existing mandate rather than a new mandate.

State plan expenditures are split 60% general funds, 20% federal funds, and 20% special funds. Future years reflect annualization and 7% medical inflation.

Additional Information

Prior Introductions: HB 701 of 2008 would have required carriers, in determining a patient's eligibility for IVF, to calculate the duration of the patient's history of infertility without regard to any pregnancy that terminates in a miscarriage. HB 701 received an unfavorable report from the House Health and Government Operations Committee.

Cross File: None.

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

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