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**FISCAL IMPACT STATEMENT**

**LS 7164**

**BILL NUMBER:** HB 1684

**NOTE PREPARED:** Jan 21, 2005

**BILL AMENDED:**

**SUBJECT:** Coverage of Infertility Treatment.

**FIRST AUTHOR:** Rep. Van Haften

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that the state, a health insurer, and a health maintenance organization (HMO) must provide coverage for the diagnosis and treatment of infertility for one pregnancy that results in the birth of a child.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** *Summary:* This bill requires the state, group health insurance policies, and HMO plans to provide coverage for the diagnosis and treatment of infertility. The bill states that the coverage for the diagnosis and treatment of infertility that must be provided includes the following procedures:

- (1) In vitro fertilization.
- (2) Assisted hatching.
- (3) Embryo transfer.
- (4) Artificial insemination.
- (5) Gamete intrafallopian tube transfer.
- (6) Zygote intrafallopian tube transfer.
- (7) Intracytoplasmic sperm injection.
- (8) Transvaginal assisted ovulation.
- (9) Cryopreservation.

As of November 2004, the state enrolled approximately 33,797 state employees in four health benefit plans (M-Plan, Arnett, Advantage, and Anthem). Each state employee averages 2.32 members. Providing infertility treatment would result in estimated additional costs between \$2 and \$6 per member per month. Applying these

estimates, increased costs would range from \$1.9M (2.32 \* 33,797 \* 12 \* \$2) to \$5.6M. However, these increases may not necessarily imply additional budgetary outlays since the state's response to increased health benefit costs may include (1) greater employee cost-sharing in health benefits; (2) reduction or elimination of health benefits; and (3) passing costs onto workers in the form of lower wage increases than would otherwise occur. It is unknown at this time if the state would absorb added costs or pass the costs on to employees.

#### *Existing Plan Coverage:*

Arnett Plan I covers artificial insemination when related to infertility and when provided by a participating practitioner. Artificial insemination is limited to three unsuccessful attempts. Infertility services are limited to diagnostic procedures and counseling to include surgical, laboratory, and X-ray services that are used to diagnose the condition of infertility. General exclusions include infertility treatment; services related to conception by artificial means (except artificial insemination), including but not limited to, drug therapy, in-vitro fertilization, embryo transfers, G.I.F.T., Z.I.F.T., donor sperm, services related to surrogate parenting, and any other surgical or non-surgical procedure. Any treatment performed to assist in achieving conception with or without the diagnosis of infertility is not covered. This includes but is not limited to medications, ultra sounds, hormone-level determinations, and related laboratory tests and laproscopies.

M-Plan I. Coverage includes infertility counseling, testing to diagnosis, artificial insemination, including donor sperm and surgical treatments and artificial insemination, limited to six cycles per pregnancy. Exclusions include egg or inseminated egg procurement, processing or banking; assisted reproductive technology (ART) services except for artificial insemination. ART includes but is not limited to in vitro fertilization and embryo placement (IVF-EP), gamete intrafallopian transfer (GIFT), intracytoplasmic sperm injection; (ICSI) and zygote intrafallopian transfer (ZIFT). Also excluded are hormone pulsating infusions; animal egg penetration testing; sperm antibody testing; and HI/LA typing (human leukocyte antigen).

Advantage Health Solutions Coverage for family planning services are provided through a 100% reinsurance arrangement. Claims are administered by a contracted third party administrator. Family planning services includes diagnostic testing and counseling for infertility. Advantage specifically excludes drugs whose purpose is the treatment of infertility. Other exclusions include artificial insemination; GIFT; ZIFT; or in-vitro or in-vivo fertilization; testing, treatment, or medication for the primary purpose of achieving conception; infertility testing or treatment.

Anthem. The plan provides no benefits for services and supplies for artificial insemination; in vitro fertilization; GIFT; sterilization reversal; fertility counseling and treatment. However, benefits are provided for diagnostic services performed to determine the cause of infertility.

#### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** Local government groups enrolled in the Local Unit Government Employees (LUGE) health plan may experience increased costs. LUGE participants have the same benefits as state employees, but are part of a separate risk pool. Currently, 42 local government groups are enrolled in the plan, providing coverage for approximately 952 employees.

In addition, school corporations and local governments purchasing health benefit coverage on their own could incur increased premiums. The specific impact is indeterminable, but would depend on current health care coverage. It is unknown if local units would absorb this cost or pass the cost on to employees, as cost sharing

of health benefit premiums varies widely by locality.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** Local governments and school corporations.

**Information Sources:** Department of Personnel, 232-3062.

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