

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-6617

AN ACT PROMOTING EQUITY IN COVERAGE FOR FERTILITY
HEALTH CARE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Social Services, Dept.	GF - Cost	See Below	See Below
Resources of the General Fund	GF - Potential Cost	At Least 300,000	At Least 600,000
State Comptroller - Fringe Benefits	GF - Cost	At Least 136,000	At Least 139,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 24 \$	FY 25 \$
Various Municipalities	STATE MANDATE ¹ - Cost	Indeterminate	Indeterminate

Explanation

Sections 1 and 2 result in a per member per month cost of at least \$0.10 for the expansion of fertility diagnostic, treatment, and preservation services. The total cost to the State Employee Health Plan account is at least \$136,000 for FY 24 and \$139,000 for FY 25.

The bill will result in a cost to fully insured municipalities for increased premiums associated with the mandates outlined in the bill as

¹ State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

determined by the number of enrollees and current coverage.

The bill will result in a cost to the state pursuant to the federal Affordable Care Act (ACA), to the extent certain provisions of the bill are determined to be new state benefit mandates that require defrayal of exchange enrollees' premium increases.

While states are allowed to mandate benefits in excess of the essential health benefits (EHB), federal law requires the state to defray the cost of additional benefits related to specific care, treatment or services mandated by state action after December 31, 2011, for all plans sold on the exchange (i.e., Access Health CT). States themselves must identify which state-required benefits are in addition to the EHB, and then states must defray the additional costs by reimbursing the carriers or the insureds for the excess coverage. The costs would be quantified by each carrier and reported to the state. It is not clear how or when these federal rules will be enforced.

The bill requires plan coverage beyond the current state mandate (which predates the ACA) for fertility preservation and surrogacy. As such, there could be a cost to defray additional premiums for the 107,833 individual market exchange enrollees and the 2,106 small group market exchange enrollees associated with these benefits, estimated to total approximately \$600,000 annually².

The bill also makes changes related to the minimum covered cycles of intrauterine insemination (IUI), in-vitro fertilization (IVF) and other services. To the extent those changes are determined to require defrayal, there will be additional costs, which could be significant³.

As the bill's provisions take effect on January 1, 2024, potential costs in FY 24 reflect six months of estimated premium defrayals

² The surrogacy benefit is estimated to have a per member per month cost of approximately \$0.35, assuming an additional 10% increase in IVF utilization and a \$25,000 lifetime maximum.

³ For context, the existing "infertility diagnosis and treatment" mandate was estimated to have a \$1.32 pmpm cost for 2016 projected claims in the most recent report completed under the Insurance Department's Health Benefit Review Program in 2014.

(approximately \$300,000 for the fertility preservation and surrogacy mandates). Actual costs would depend on actuarially determined premium impacts reported to the state by the exchange carriers.

Section 3 results in a cost to the Department of Social Services (DSS) associated with amending the Medicaid state plan to include fertility treatment coverage. Connecticut Medicaid does not currently cover related services and does not have a relevant fee schedule or service utilization for reference. Fertility treatment is a coverable service under the Medicaid state plan, family planning services benefit category and eligible for up to 90% federal reimbursement. The extent of the cost is based on the scope of services established, associated rates, and service utilization.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, Medicaid rates, and service utilization, as well as whether or not the coverage requirements of the bill are considered mandates pursuant to the ACA and the experience of exchange plan members.

Sources: Office of the State Comptroller