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## FISCAL IMPACT REPORT

SPONSOR: Park DATE TYPED: 1/27/03 HB 45

SHORT TITLE: Insurance Coverage for Infertility SB \_\_\_\_\_

ANALYST: Wilson

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			See Narrative		

### SOURCES OF INFORMATION

#### Responses Received From

Commission on the Status of Women (CSW)  
Public Regulation Commission (PRC)  
Human Services Department (HSD)  
Retiree Health Care Authority (RHCA)  
Public School Insurance Authority (PSIA)  
General Services Department (GSD)

### SUMMARY

#### Synopsis of Bill

House Bill 45 requires individual or group health insurance policies, health care plans or certificates of health insurance that are delivered or issued for delivery in New Mexico that offer maternity benefits to offer coverage for infertility diagnosis and treatment.

HB 45 also mandates health insurance contracts to include coverage for childhood immunizations, minimum hospital stays for mastectomies and lymph node dissections, prescription contraceptive drugs or devices approved the food and drug administration and infertility diagnosis and treatment.

#### Significant Issues

The insurance industry generally opposes mandated coverages such as those contained in HB 45. They argue that the decision as to which benefits will be covered should be between the pur-

chaser of health insurance and the company selling the coverage. Unfortunately for an employee in a group, it is the employer who is making the decision and not the covered individuals.

There is also a distinction between coverage for a medical condition versus coverage for infertility diagnosis and treatment. Health insurers generally cover the diagnosis and treatment of natural physical conditions causing infertility, except for the reversal of sterilization. For instance, where an enrollee's primary care physician in consultation with a health care plan determines that a service such as a Fallopian tube obstruction or a hormone deficiency (as opposed to hormonal manipulations or excess hormones to increase product of mature ova for fertilization) is medically necessary, then these services would be covered. Likewise, health insurers provide coverage for infertility testing to diagnose the cause of infertility. However, health insurance products currently may exclude coverage for certain services related to infertility diagnosis and treatment such as sperm donor harvesting, in-vitro fertilization, Fomete Intrafallopian Transfer (GIFT), Zygote Intrafallopian Transfer ( ZIFT), or the reversal of voluntary sterilization.

### **FISCAL IMPLICATIONS**

Many of the procedures related to infertility diagnosis and treatment are extremely expensive. In-vitro fertilization, for example costs more than \$10,000 a procedure and a woman can undergo several unsuccessful procedures a year. Insurance premiums will certainly rise, but the industry is unable to quantify the amount.

The State of New Mexico pays the employers share for three major groups: active state employees, public school employees and retirees from the previous groups. Although they will not be required to comply with the provisions of HB 45 because they are self-insured or are exempted by other statute, these plans have traditionally offered comparable coverage

### **ADMINISTRATIVE IMPLICATIONS**

House Bill 45 requires the form filing unit of the PRC's Insurance Division's Life & Health Bureau to review and process amended filings by insurers requiring such coverage. Likewise, the Life & Health Bureau would have to ensure that the industry was aware of this new mandated benefit and ensure compliance therewith. Since the PRC is currently handling form filing and notification to the industry they can handle the provisions of HB 45 with existing staff.

### **POSSIBLE QUESTIONS**

Should the State mandate extremely expensive infertility coverage which will benefit a very small number of individuals and force every other insured person to pay higher premiums?

DW/yr