Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

SPONSOR House Health and Human Services Committee
LAST UPDATED 2/24/2025
ORIGINAL DATE 2/1/2025
SHORT TITLE Coverage for Fertility Preservation Services
BILL NUMBER CS/House Bill 95/HHHCS
ANALYST Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Medicaid Program	**$0.0**	**$6,403.8**	**$12,758.8**	**$19,162.6**	**Recurring**	General Fund
Medicaid Program	**$0.0**	**$24,815.5**	**$49,582.4**	**$74,397.9**	**Recurring**	Federal Funds
Medicaid Admin	**$0.0**	**$86.1**	**$86.1**	**$172.2**	**Recurring**	General Fund
Medicaid Admin	**$0.0**	**$86.1**	**$86.1**	**$172.2**	**Recurring**	Federal Funds
Medicaid IT System	**$300.0**	**$0.0**	**$0.0**	**$300.0**	**Nonrecurring**	General Fund
Medicaid IT System	**$300.0**	**$0.0**	**$0.0**	**$300.0**	**Nonrecurring**	Federal Funds
Employer Share of State Employee Health Benefit Premiums	**$0.0**	**$97.5-$325.0**	**$195.0-$650.0**	**$292.5-$975.0**	**Recurring**	General Fund
Employee Share of State Employee Health Benefit Premiums	**$0.0**	**$67.5-$225.0**	**$135.0-$450.0**	**$202.5-$675.0**	**Recurring**	Employees' Share of State Employee Health Benefit premiums
Retiree Health Care Authority, Public School Insurance Authority	**$0.0**	**Indeterminate**	**Indeterminate**	**Indeterminate**	**Indeterminate**	RHCA, NMPSIA Benefit Funds
Total	**$600.0**	**$31,556.5-$31,941.5**	**$62,843.4-$63,613.4**	**$94,999.9-$96,154.9**	**Recurring/Nonrec**	GF/FF/Other

Parentheses ( ) indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Department of Health (DOH)
Health Care Authority (HCA)
Office of Superintendent of Insurance (OSI)
University of New Mexico Health Sciences Center (UNMHSC)

SUMMARY

Synopsis of HHHC Substitute for House Bill 95

The House Health and Human Services Committee substitute for House Bill 95 (HB95) would require insurance coverage for fertility preservation services for insured individuals whose fertility is impaired due to medical treatment. The substitute adds a definition of "iatrogenic infertility" meaning an impairment of fertility caused directly or indirectly by surgery, chemotherapy, radiation, or other medical treatment; narrows the requirement for fertility preservation coverage from "enrollees whose disease or medically necessary disease treatment, as determined by the enrollee's health care provider, may lead to infertility" to "when treatment may directly or indirectly cause iatrogenic infertility as determined by the insured's health care provider"; and requires that coverage may not establish separate deductibles or other cost sharing arrangements for fertility-related services but does allow plans to require cost sharing in amounts similar to, and not in excess of, those required by the plan for comparable medical services.

The effective date of this bill is January 1, 2026.

FISCAL IMPLICATIONS

Medicaid

Medicaid Program: The FY26 and FY27 cost of fertility preservation services under the HB95 substitute is projected by HCA to be $93.5 million, $19.2 million in general fund revenue and $74.4 million in matching federal funds, based on a population sample of 1,375 individuals. The Health Care Authority's (HCA) estimate reflects a blended federal match percentage of 79.6 percent from 421 individuals receiving a 90 percent federal match and 954 individuals receiving a 71.66 percent federal match.

Medicaid IT System: The cost to establish a new service in the Medicaid provider enrollment IT system is projected at $500 thousand plus $100 thousand to configure the claims IT system.

Medicaid Administration: HCA projects implementation of fertility preservation services would require a minimum of 1 new FTE at a projected cost of $172.2 thousand matched 50/50 with federal funds.

Medicaid Total: HCA's total projected Medicaid cost for the HB95 substitute is $93.6 million, with $19.2 million in general fund revenue and $74.4 million in federal matching funds.

State Health Benefits

HCA reports the fiscal impact on the State Employee Health Benefits program is between $10 thousand to $20 thousand per service, depending on whether the service is for freezing eggs, embryos, or ovarian tissue, plus $300 to $600 a year for storage costs, based on data from the Alliance for Fertility Preservation. Typically, fertility preservation is used when there is a cancer diagnosis, and not all women choose to undergo the procedure.

The annual cost impact is estimated to be between $300 thousand and $1 million depending on the prevalence of cancer and other conditions that may result in infertility and the level of

interest in members to undergo the preservation procedure. If these costs are absorbed by the state employee plan, premiums would need to increase or the state employee fund deficit, currently estimated at $85 million, would grow.

Premium increases impact both state employer contributions and employee contributions. HCA estimates the annual premium impact on the state is projected between $195 thousand and $650 thousand. HCA estimates the impact on employees would be between $135 thousand and $450 thousand. In FY26, the fiscal impact would be half as much because the provisions of the bill would not go into effect until the second half of the fiscal year. The maximum premium impact based on these projections would be 0.23 percent over FY25 premiums.

Office of Superintendent of Insurance

The Office of Superintendent of Insurance (OSI) reports the current benchmark health insurance plans for individuals and small groups offered in the health insurance exchange per the federal Affordable Care Act do not cover fertility preservation services. If this bill is passed, the state would have to defray the full cost for the coverage of this service incurred in the individual and small group markets and the coverage will have an increased premium impact on the large group market. OSI estimates the cost of oocyte cryopreservation/ovarian cryopreservation exceeds $10 thousand. OSI is unable to estimate the cost of the premium increases for the proposed new coverage.

The NM Public School Insurance Authority and Retiree Health Care Authority would also incur insurance coverage costs associated with the provisions of the bill. These costs are indeterminate.

SIGNIFICANT ISSUES

The Health Care Authority (HCA) reports the HB95 substitute does not reference or fund the next steps for fertility treatment including IVF. Consideration might also be necessary for alternative disposal of oocytes and possible associated rule making and litigation.

Medicaid Program

HCA notes the HB95 substitute does not specify populations likely to receive fertility preservation services. Based on the current language in the bill, the fertility preservation services would cover 706.3 thousand Medicaid/CHIP individuals. HCA considered a more narrowed population count of 1,375 individuals, applying the following selection criteria: age restriction 12 to 50 years of age; selected diagnosis codes; gender and categories of eligibility. The population sample includes 1,068 females and 307 males. Based on data from Alliance for Fertility Preservation, the average cost of fertility preservation services for females is $80,000 for 4 cycles. The average cost of fertility preservation for males is $12,000.

State Health Benefits Program

HCA reports that expanding mandated coverage would increase insurance premium costs for employers and insured individuals under the state health benefits program. The legislation does not specify funding mechanisms or address potential financial impacts on state-funded health programs. The legislation presumes the availability of medical providers and facilities equipped to offer fertility preservation services. Any gaps in provider availability could hinder access,

particularly in rural areas. The bill does not address limitations on storage durations for cryopreserved materials; scope of diseases or treatments covered (e.g., whether this applies beyond cancer treatments); and the extent of cost-sharing responsibilities for patients.

ADMINISTRATIVE IMPLICATIONS

HCA reports implementation of the bill would require federal approval of the Medicaid state plan to receive federal match, administrative code revisions, changes to Medicaid managed care agreements, creation of a new provider type, moderate level of claims processing IT system edits, and development of ongoing monitoring and quality assurance procedures. Medicaid would need to obtain federal authority to draw down the federal match. If this authority is not received, Medicaid would be required to pay 100 percent of the costs from the general fund.

HCA also administers the state health benefits program. Administrative staff would need to factor the cost of the new benefit into state employee health premiums and implement the required increase. Health plan administrators would need to update coverage policies and billing processes.

TECHNICAL ISSUES

The University of New Mexico Health Sciences Center (UNM-HSC) notes the group health coverage in sections C of the HB95 substitute refer to "fertility-related services" which are not defined.

UNM-HSC reports the second step in assisted reproduction, presumably after the treatment course concludes and if pursuing assisted reproduction is medically safe, involves using sperm, oocytes, embryos or gonadal tissue to achieve pregnancy. These treatments are not clearly addressed in the bill and it is not clear if they are meant to be included in "fertility-related services." The bill does not address coverage requirements for these additional treatments, only that no separate deductible is allowable.

HCA suggests changing the effective date to July 1, 2026, to allow for thorough implementation, including federal Medicaid state plan amendment approval.

HCA recommends including specific coverage and limitations in the same manner as other states. This would assist with cost analysis projections for both the Medicaid program and the state health benefits program and help with monitoring following implementation if HB95 is enacted.

OSI suggests clarifying if the new required coverage is limited to the procurement, cryopreservation, or storage of oocytes, embryos, or gonadal tissue. Other considerations may include limiting the coverage to the individual and large group markets.

OTHER SUBSTANTIVE ISSUES

The Department of Health reports that, according to the Centers for Disease Control and Prevention, 11 percent of women will experience infertility. A survey conducted of employer-sponsored health plans found 44 percent of employers with at least 500 employees did not

provide insurance coverage for infertility services, and 25 percent of companies with 20 thousand or more employees did not cover infertility services. (Coverage and Use of Fertility Services in the U.S. | KFF) Nineteen states have implemented legislation similar to HB95, including Utah, Colorado, Oklahoma, and Texas.

HCA recommends including specific coverage criteria and benefit limitations in the same manner as other states implementing Medicaid-covered fertility preservation services. This specificity would assist with cost analysis projections, budget projections, implementation, and monitoring of fertility preservation services if HB95 is enacted.

OSI notes limiting the timeframe for storage of oocytes, embryos, or gonadal tissue and specifying the conditions that will qualify an individual for coverage can mitigate the cost of coverage. For example, some states limit coverage to iatrogenic cases or to infertility caused by an active cancer diagnosis, chemotherapy, radiation, gene therapy, or other treatment related to autoimmune diseases.

RAE/hj/SL2