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Employer experience with, and attitudes toward, coverage of infertility treatment

A report on the findings of a survey conducted by Mercer Health and Benefits LLC as a follow-up to the *National Survey of Employer-Sponsored Health Plans 2005*, with support from RESOLVE INC., The National Infertility Association

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INTRODUCTION

Infertility – the physical inability to become pregnant or sustain a pregnancy to a live birth – is a medically recognized disease that affects both men and women almost equally. Its prevalence in this country has risen significantly in recent years, growing 20 percent from 6.1 million individuals in 1995 to 7.3 million in 2002, according to the U.S. Centers of Disease Control and Prevention. Today, one in every eight couples of child-bearing age is infertile.

Infertility affects both physical and emotional well-being as it challenges the capacity to fulfill a basic life function. When timely and appropriate treatment is accessed, 70-80 percent of those provided the necessary care will achieve a successful outcome. However, because of the cost barriers and lack of insurance coverage to help defray these costs, it is estimated that about half of those afflicted with infertility fail to obtain this care. Many of those that are able to undergo treatment do so at considerable out-of-pocket expense. Within the United States' employer-based health benefits system, only about 20 percent of all employers currently provide coverage for assisted reproductive therapies (e.g., in vitro fertilization).

Fifteen states have passed laws requiring that insurance companies provide coverage for some level of infertility treatment as a basic health plan benefit or

that they at least offer such coverage to purchasers for their health plans. While these laws have expanded access to needed care, they do not apply to self-insured plans typically offered by very large employers nor to very small employers (e.g., under 100 employees). At the federal level, several legislative proposals have been introduced in Congress to broaden access to infertility treatment coverage on a national scale. However, federally mandated coverage is an unlikely prospect in the near term.

There is no clear consensus among employer health plan sponsors as to whether infertility should be viewed as an illness and treated like any other medical condition, or whether it falls outside the scope of the employer's responsibility to provide affordable medical care for employees. Some employers will cover the diagnostic evaluation for, but not the treatment of, infertility. In some cases, the decision to offer coverage is not in the employer's hands; they cannot find an affordable health plan that provides coverage for infertility treatment. To learn more about the factors behind an employer's decision to cover or not cover infertility treatment, Mercer Health & Benefits conducted a follow-up survey of employers that responded to the National Survey of Employer-Sponsored Health Plans in 2005. The study was commissioned by RESOLVE: The National Infertility Association.

SURVEY METHODS

The survey was fielded from March 6-22, 2006. Invitations were e-mailed to respondents to *Mercer's National Survey of Employer-Sponsored Health Plans* that had at least 200 employees and that provided a valid e-mail address. A link to an online survey instrument was included. To reduce the risk of non-response bias, the invitation did not specify the topic of the survey. Approximately 1,800 employers were invited; of those, 931 responded, a response rate of over 50 percent.

In the *National Survey of Employer-Sponsored Health Plans*, which was conducted in the summer of 2005, employers were asked one question about the types of infertility treatment covered under their most prevalent medical plan. Their responses to that question were included in the follow-up survey. Respondents were asked to confirm or update their earlier response. Based on their answer to that question, respondents were given one of two sets of questions; one designed for employers that cover infertility treatment (or at least an evaluation by an endocrinologist or reproductive specialist) and one designed for employers providing no coverage whatsoever. Respondents providing some level of coverage substantially outnumbered those not providing any coverage: 605 compared to 326.

SURVEY FINDINGS

Prevalence of coverage among all employers

In Mercer's *National Survey of Employer-Sponsored Health Plans 2005*, it was reported that over half (54 percent) of employers with 500 or more employees cover evaluation by a reproductive endocrinologist or infertility specialist, and over a third (37 percent) cover drug therapy. About a fifth cover either in vivo or in vitro fertilization (20 and 19 percent, respectively), and 10 percent cover other advanced reproductive procedures, such as GIFT and ZIFT. Coverage of all forms of infertility treatment increases with employer size; among those with 20,000 or more employees, 54 percent cover infertility treatment beyond an evaluation, compared to 40 percent of all large employers. Among small employers (10-499 employees), just 29 percent cover evaluations, and still fewer cover any form of treatment.

Among just the respondents to the follow-up survey (which was limited to employers with 200 or more employees), the prevalence of coverage is slightly higher than among all large employers responding to the full survey. This is probably attributable to some amount of response bias. Evaluation is covered by 63 percent of large employers, drug therapy by 39 percent, in vivo and in vitro fertilization by 24 and 22 percent, respectively, and other advanced reproductive

therapies by 15 percent. Employers were not asked about coverage limitations, but such limitations are common and some respondents noted (in a space provided for additional comments at the end of the survey) that they cover treatment but place a lifetime limit on the amount of benefits payable, ranging from $1,500 to $50,000; others limit the number of attempts (cycles) they will cover.

There was little difference between respondents that do and do not cover infertility services in either the average employee age or the percentage of women in the workforce. However, the average salary is significantly higher among respondents providing coverage: $50,985 compared to $44,145 for those not providing coverage. This is in line with analyses of the Mercer data showing a correlation between salary levels and health benefit values.

The majority of responding organizations that do not offer infertility benefits cited potential increased costs as their primary reason for not providing this coverage. However, 91 percent of respondents offering infertility treatment beyond an evaluation say they have not experienced a measurable increase in their medical costs as a result of providing this coverage.

Employee demand appears to be a significant factor in an employers' decision to provide coverage. For about a fourth of respondents not covering infertility

benefits (26 percent), the primary reason given was "little demand for these services from employees." At the same time, 65 percent of employers offering infertility treatment (and 53 percent of employers offering infertility evaluation), cited responding to employee requests as a primary objective for covering infertility benefits. Additionally, 29 percent of employers (and 32 percent of large employers) not offering these benefits reported that they have received employee requests for infertility coverage as a result of it not being included in the employee health plan.

Employers providing some level of coverage for infertility evaluation and/or treatment (605 employers)

Objectives. The two most common objectives cited for providing coverage was to ensure employees have access to quality, cost-effective care (75 percent of employers who offer infertility treatment) and to be recognized as a family-friendly employer and attract and retain valued employees (72 percent).

Over three-fourths of respondents (78 percent) reported that they met their objective of ensuring their employees have access to quality, cost-effective care. Only 3 percent reported this objective was not met. Similarly, over two-thirds of respondents (69 percent) believed they met their objective of being recognized as a family-friendly employer and attracting valued employees. In addition, some

employers said that covering infertility treatment achieved results that were not among their primary objectives, including improving morale of employees (14 percent of respondents) and generating positive public relations (12 percent of respondents). One employer that provides coverage with no limitations reported that "...we no longer have the complaints from our employees who are in treatment and desperate for a child. The work environment is a much nicer place for all."

Another employer commented on that the "demographics of our organization and the careers of our population [medical personnel] have lent themselves to starting families later in life," resulting in "greater need in our population for these types of services."

Cost impact. Employers were asked if infertility treatment coverage resulted in a measurable, significant increase in the health plan cost. Most (91 percent) said no. This result did not vary significantly between employers that do and do not cover in-vitro fertilization (IVF). According to the American Society of Reproductive Medicine, IVF accounts for less than 3 percent of infertility services nationwide.

Level of coverage. About a third of the respondents who provide some level of coverage for infertility services cover only evaluations. There are significant

differences between these employers and those offering more comprehensive infertility treatment coverage in terms of their objectives. Employers only offering infertility evaluation are much less likely to have the objectives either of being recognized as a family-friendly employer (55 percent, compared to 72 percent of employers offering infertility treatment) or of generating positive public relations (54 percent, compared to 62 percent of employers offering infertility treatment). Their most common objective is to ensure employees have access to quality, cost-effective care (69 percent).

Respondents who cover infertility evaluations only are less likely to report that their primary objectives have been met than employers who offer infertility treatment. Of respondents with the objective of ensuring employees have access to quality, cost-effective care, only 58 percent of those covering evaluation only reported that this objective had been met, compared with 78 percent of those covering treatment. For those employers with the objective of being recognized as family-friendly, only 44 percent of those offering only evaluations reported having met this objective, compared to 69 percent of those employers covering treatment.

Overall, the employers offering the most comprehensive infertility treatment coverage are more likely to report having objectives for providing infertility coverage (including recognition as a family-friendly employer, attraction and

retention of valued employees, ensuring employees have access to quality, cost-effective care, and increasing morale), and are more likely to report that these objectives have been met.

Plans to add more comprehensive coverage. More than two-thirds of employers have been providing infertility coverage at their current level for more than five years. Of those employers that do not currently offer in vitro fertilization coverage, only 5 percent said it was very or somewhat likely that they would add coverage within the next two years, while 80 percent said it was unlikely (the remainder did not know).

Employers providing no coverage for infertility evaluation or treatment (326 employers)

Among survey respondents, the most common reason cited for not providing infertility benefits is cost. Nearly two-thirds of these respondents (64 percent) do not offer coverage because they believe it will lead to increased costs. Over one-fourth of employers (29 percent) believe that infertility treatment is not the employer's responsibility, and 29 percent believe that infertility evaluation and treatment falls beyond the scope of 'basic coverage'. One respondent noted, "Medical costs are escalating at a rate that precludes adding coverage for services which are not 'medically necessary' to preserve health." Another

respondent put it this way, "Infertility treatment is viewed as a *life enhancing* benefit and our plan design leans more towards *life sustaining/life maintaining* coverage."

Four percent of respondents reported that they do not cover infertility treatment services for religious reasons, citing that infertility benefits "go against the religious and ethical directives we adhere to."

Likelihood of adding coverage. The great majority of respondents (93 percent) not providing infertility coverage say they have not considered adding coverage for such services. However, when asked how likely they would be to add coverage for a full range of services if they could do so for an additional $3 per member per year, over a fourth said they would be somewhat likely (19 percent) or very likely (5 percent) to add coverage. Nearly half (48 percent) said they would be unlikely to add coverage; the rest were undecided. A greater percentage of smaller employers said they would be likely to add coverage (39 percent of those with 200-499 employees). Employers of this size are more likely to be fully insured than larger employers.

When asked if they would be more likely to cover infertility treatment if they knew the cost would be offset by savings from eliminating other medical costs,

approximately half of the employers not providing infertility benefits said yes and half said no.

Conclusion

Both survey results and the respondents' written comments demonstrate a range of attitudes toward infertility coverage. Some employers clearly believe it should be an integral part of their health plans. One respondent stated: "Infertility is a medical condition and we feel our medical plan should provide medical coverage for such medical conditions." The respondent added that they were dismayed by providers charging employees without coverage far more for an IVF treatment than those with coverage. "We found this to be an inequity in health care that adversely impacted women."

Among respondents that only provide infertility evaluation, cost was the overarching concern, even though the great majority of employers providing coverage have not experienced a significant increase in cost. Of the respondents that don't cover either evaluations or treatment, a fourth indicated they would be willing to provide coverage if it was affordable (specifically, no more than $3 per member per month), and half said they would consider providing such coverage if it offset other health plan expenses. About a third of employers (36 percent) are opposed to infertility coverage for reasons other than cost, typically because

they believe it is not an employer's responsibility to cover infertility treatment or because their benefit philosophy is to provide only the most basic coverage.

These results suggest that many employers, though not all, might choose to add coverage if presented with sound evidence that the cost impact would be minimal or that the costs would be offset by reductions in other health plan costs.