



Group Health Insurance Plan Infertility Benefits Estimates & Proposed Recommendations

Health Policy & Planning Subcommittee

May 2, 2019



Goals for May 2, 2019 Meeting

- Review options and FY20 cost estimates
 - Current infertility benefit design
 - Full adoption of SB 139
 - Expanded access and partial adoption of SB 139
- Review additional feedback and suggestions received
- Formulate a set of recommendations for discussion with the SEBC at the May 6th meeting

Current Infertility Benefit Design

Current State Group Health Plan Infertility Coverage

Annual Costs: \$1.3M

Average Members: 100 to 125

Infertility services are covered for:

- Artificial Insemination (AI) and Intrauterine Insemination (IUI)
- In Vitro Fertilization (IVF) and related procedures
- Coverage parameters:
 - Dependent Children are not eligible
 - Women must be at least age 18 and not have reached their 45th birthday
 - Must be approved for coverage due to proven infertility problem which is not due to voluntary sterilization of either partner
 - Age appropriate AI and IUI must be tried before IVF
 - \$10,000 lifetime medical limit for all infertility services
 - \$15,000 lifetime pharmacy limit for all infertility services
 - Members pay 25% coinsurance for medical services and prescriptions

Full Adoption of SB 139 with Senate Amendment 1

Senate Bill 139 with Senate Amendment 1

Senate Bill 139 with Senate Amendment 1:

- Requires health insurance offered in Delaware provide coverage for fertility care services including In Vitro Fertilization for individuals who suffer from a disease or condition that results in the inability to procreate or to carry a pregnancy to live birth
- Also provides for fertility preservation for individuals diagnosed with cancer or other diseases where treatment could adversely impact their fertility
- Requires cost sharing to be on par with non-fertility related services/prescriptions available under the medical/prescription benefit
- Exempted employers who self-insure their insurance plans

Additional Coverage under Senate Bill 139 with Senate Amendment 1

- Dependent Children are eligible
- Women are eligible for embryo transfer up to age 50
- Can be approved for coverage due to voluntary sterilization if now with different partner than when sterilization occurred
- Age appropriate AI and IUI need not be tried before IVF in certain circumstances

Cost Estimates Presented at September 24, 2018 SEBC Meeting for full adoption of SB 139

- Based upon 3 years of data – 125 members and plan cost of \$1.1M annually
- Assumed no lifetime infertility medical services limit except six completed egg retrievals per lifetime
- Assumed 2/3 IVF cycles for each member being treated for infertility
- Assumed 20% increase in members to be treated for infertility
- Used \$20,000 per IVF cycle as basis for cost estimate
 - Most expensive infertility treatment
 - Provides high degree of success for women with favorable prognosis
 - Estimate was conservative – actual IVF treatment costs likely to be less
 - Not necessary treatment for all infertility situations

Cost Estimates Presented at September 24, 2018 SEBC Meeting for full adoption of SB 139 Continued

Assumed no lifetime pharmacy limit for all infertility services

Cryopreservation of eggs, sperms and embryos

Estimates developed by medical and prescription vendors:

- Medical estimates to cover all changes to current coverage as per prior slides removing limits and changing cost share:
 - \$5.25M
- Prescription estimates to cover all changes to current coverage – removing limits and changing cost share:
 - \$1.5M

Estimated Additional Annual Costs - \$6.75M

Options to expand access and
implement partial adoption of SB 139
from April 4th Health Policy & Planning
Subcommittee Meeting

GHIP Infertility Data Analysis

SBO reviewed 5 years of medical infertility treatment and prescription data for approximately 480 Highmark Delaware and Aetna members approved for infertility services between January 1, 2014 and December 31, 2018.

- Identified services, procedures and billing codes
- Captured billing codes that apply for each treatment procedure that applies toward lifetime maximum and 25% coinsurance
- Analyzed actual paid State Group Health claims and established costs by infertility treatment procedure

5 Year Total Cost of GHIP Infertility Services – ALL MEMBERS	
State/Plan Paid	\$ 4.5mm
Member Out of Pocket	\$ 1.8mm
Total	\$ 6.3mm
Average Annual	\$ 1.3mm

*Approximately 50% of costs attributed to prescription costs

GHIP Infertility Data Analysis

SBO analyzed a 400 Highmark member subset

206 of these members or 52% had a successful pregnancy and childbirth. Data for these members was further analyzed and described in the slides that follow*

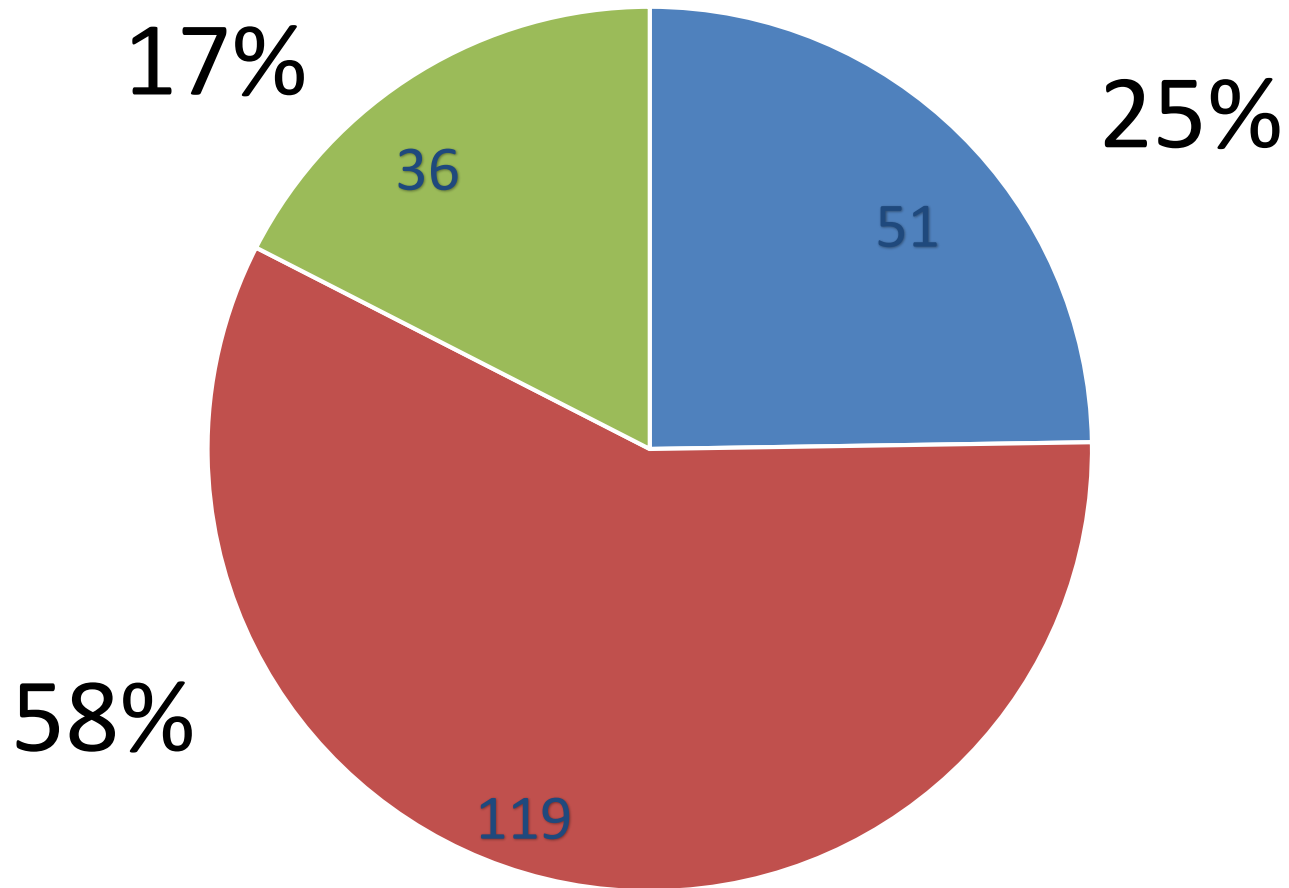
52%

Age range of Members

IUI/ AI	IVF	IUI & IVF
Ages 25-41	Ages 22-44	Ages 24-41

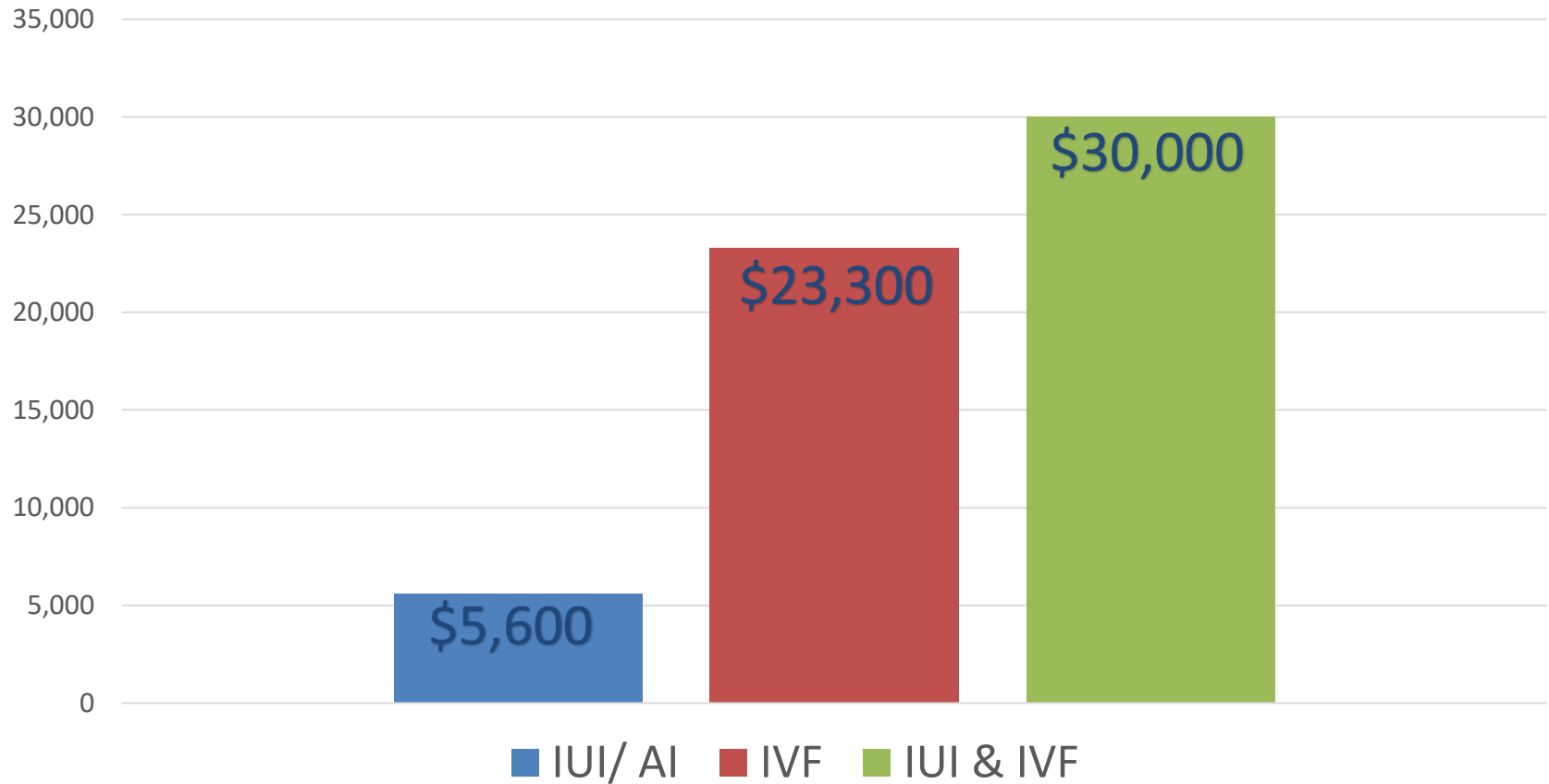
*Utilization patterns and costs for 400 member subset were overall similar

Members by Cycle Type



■ IUI/AI ■ IVF ■ IUI & IVF

Per Member Total Cost by Cycle Type*



*Median costs derived from actual medical and prescription plan/member costs - Range of actual costs and number of cycles varies significantly

Average Cost Per Cycle

Medical Plan Costs Per Cycle

IUI/AI	Fresh IVF Cycle w/ Transfer	Fresh IVF Cycle with no Transfer	Frozen Embryo Transfer Including Egg Freeze Cycle
\$1,800	\$10,000	\$6,000	\$7,300

Above costs DO NOT capture prescription costs, embryo biopsy/genetic testing

Reflects only the costs paid by the plan not any member co-insurance or out-of-pocket

Were derived from grouping the applicable CPT codes for each cycle and applying the average plan payment for each code from data available in the IBM Watson database

Immediate Considerations/ Recommendations for FY20 (4.4.19)

- ❑ Increase current \$10,000 medical only infertility benefit to \$30,000 and remove 25% co-insurance – adopt standard in and out-of-network benefits
- ❑ Partial Adoption of SB 139:
 - Fertility care services including IVF for members who suffer from a disease or condition resulting in medically necessary treatment causing iatrogenic infertility
 - Cryopreservation and thawing of eggs, sperm and embryos (not currently covered – estimated cost per member per year - \$2,000)
 - Six completed egg retrievals per lifetime with unlimited embryo transfers using single embryos transfer (SET) when recommended and medically appropriate
 - Limit ovulation induction (OI) or intrauterine insemination (IUI) to no more than 3 before IVF
 - When IVF is medically necessary, no cycles of OI or IUI required
 - Increase IVF transfer maximum age from current 44 to 49
- ❑ Embryo biopsy and testing – assesses embryo quality to increase success of a viable transfer (not currently covered or included in SB 139– estimated cost \$6,000 per cycle)
- ❑ Estimated additional annual FY20 cost: \$2.5M

FY20 Infertility Benefit Estimated Costs (4.4.19)

Current Annual Medical & Prescription Infertility Costs \$1.3M

Current benefit: \$10,000 medical/\$15,000 prescription

Approximately 50% of costs attributed to prescription

Current annual prescription only infertility costs \$650,000 A

Increase \$10,000 lifetime medical benefit to \$30,000 \$1.95M B

Addition of estimated cryopreservation costs: \$227,000 C

Estimated 35% increase in utilization of benefits

Estimated FY20 total medical & prescription infertility costs: \$3.8M $(A+B+C)*1.35$

Less current annual infertility costs: \$1.3M

Estimated Additional FY20 Costs: \$2.5M

Considerations/ Recommendations during FY20 (4.4.19)

- ❑ Monitor and analyze infertility benefit utilization including number of cycles and costs during FY20 plan year compared to historical utilization
- ❑ Through competitive bid process, evaluate potential to award contract to a third party infertility benefit administrator and negotiate a bundled per cycle benefit
- ❑ Explore opportunities to carve out or recontract infertility prescription coverage
- ❑ Consider further expansion of infertility benefits for FY21+
 - Increase or remove defined dollar amount
 - Modify benefit from lifetime defined dollar limit to defined number of cycles

Feedback on April 4th Recommendations

- ❑ Apply all infertility diagnostic testing under the standard medical benefit (confirmed with Highmark and Aetna that this can be done)
- ❑ Consider expanding/increasing the current \$15K lifetime limit for Prescription Coverage (E.g. \$5K increase would be an estimated cost of \$675K for FY20)
- ❑ Concerns that estimates are still high and assume maximum use of benefits from average 100 annual members receiving benefits and full \$45K use for additional 35 members due to expanded coverage
- ❑ Concerns that cryopreservation estimates of \$227,000 are high (limited data currently to support a more conservative estimate)

Next Steps

- ❑ Discussion and development of recommendation for review with the SEBC on May 6
- ❑ May 6, 2019 – SEBC reviews recommendations from Subcommittee, evaluates estimated fiscal impacts on the Group Health fund and discusses approach to obtain funding

Appendix

Estimated Cost Breakdown of Additional Covered Services

- Cryopreservation and thawing of eggs, sperm and embryos
 - Aetna
 - Cryopreservation of eggs, sperms and embryos
 - Typically costs about \$300 to \$1000 per year
 - Medical cost impact is expected to be <0.1%
 - HMO Annual Dollar Value less than \$130,005
 - PPO Annual Dollar Value less than \$16,772
 - Yields average annual cost of \$147,000
 - Highmark
 - Average cost of cryopreservation per service: \$2,000 / year
 - Assumed duration of preservation per person: 5 Years
 - Assumed uptake: 40 cases per year
 - Yields average annual cost of \$80,000

Cost Caps & Service Limits

(Including limits on IVF)

Pros

- Establishes a known ceiling on the State and member's financial exposure
- Potentially minimizes risk of across the board premium increase impacting all State Group Health Program participants

Cons

- Adds risk to multiple embryo transfer
- Imposes limits on family planning
- Potentially increases risk of unhealthy pregnancies
- Potentially viewed as a disincentive for employee recruitment & retention

Age Limits/Restrictions

Pros

- Reduces risk of unsuccessful infertility treatments
- Reduces risk of high risk pregnancy/delivery
- Age limits in SB 139 supported by medical evidence/research

Cons

- Imposes limits on family planning
- Potentially increases risk of embryo abandonment

Requiring Single Embryo Transfer

- Reduces financial risk of multiple and high risk pregnancy and birth
- Reduces health risk to mother and embryo/fetus
- SB 139 recommends SET for all transfers
 - Supported by medical evidence/research
- Possible to require SET for women with favorable prognosis – would require clear definition of “favorable”

GHIP Infertility Data Analysis

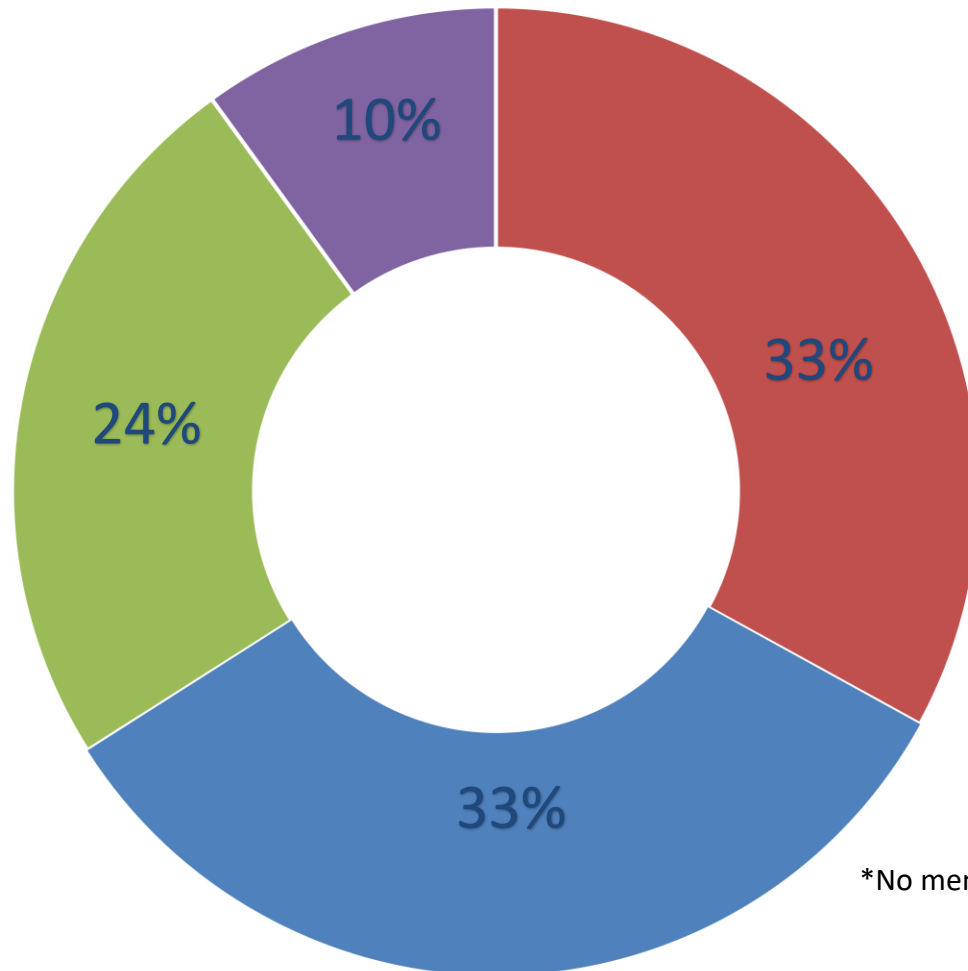
Breakdown of 206 members with successful pregnancy/childbirth

IUI/ AI	IVF	IUI & IVF
51 Members	119 Members	36 Members
Ages 25-41	Ages 22-44	Ages 24-41
Number of cycles: 33% 1 cycle; 33% 2 cycles; 24% 3-4 cycles; 10% 6 or more cycles	Number of cycles: 39% 1 cycle; 29% 2 cycles; 19% 3 cycles; 13% 4 or more cycles	Number of cycles: 11% 2 cycles; 31% 3 cycles; 27% 4-5 cycles; 31% 6 or more cycles
Median cost for all services received and resulting in successful birth: \$5,600*	Median cost for all services received and resulting in successful birth: \$23,300*	Median cost for all services received and resulting in successful birth: \$30,000*

*Based upon actual medical and prescription plan/member costs

IUI/ AI

Number of Cycles

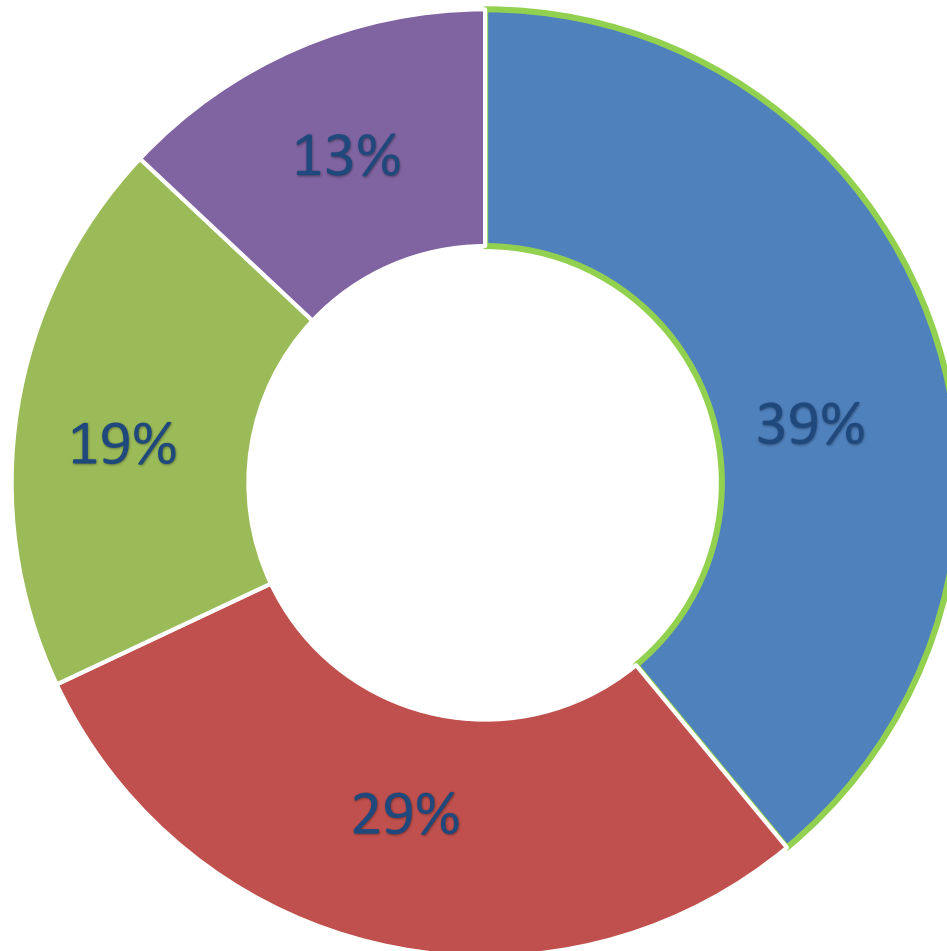


*No members with 5 cycles

■ 1 Cycle ■ 2 Cycles ■ 3-4 Cycles ■ 6 or more

IVF

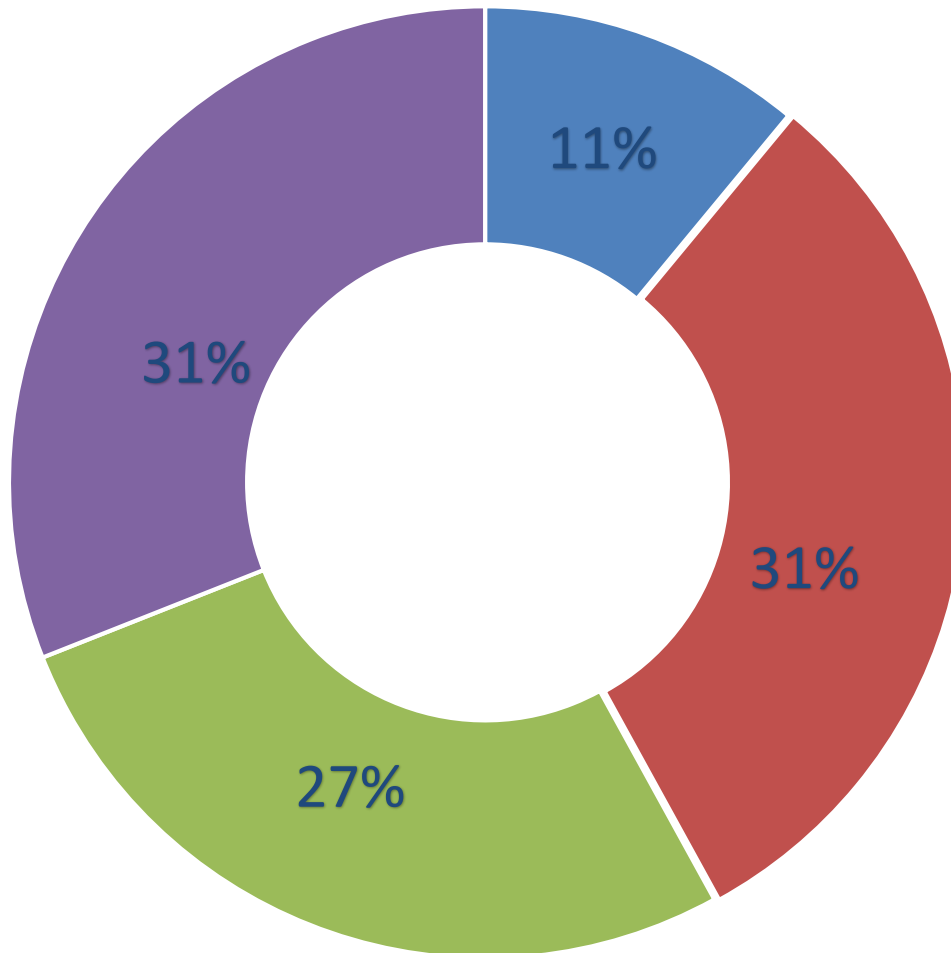
Number of Cycles



■ 1 Cycle ■ 2 Cycles ■ 3 Cycles ■ 4 or more

IUI & IVF

Number of Cycles



■ 2 Cycles ■ 3 Cycles ■ 4-5 Cycles ■ 6 or more