

Starting the Conversations About Fertility Benefits

benefits

MAGAZINE

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by | Betsy Campbell

A growing number of organizations are providing some level of fertility benefits to employees. What are the important considerations when choosing coverage options?

More organizations are offering fertility benefits than ever before as employers seek ways to help workers build their families and provide a benefit that their employees may highly value.

A 2021 survey of 459 employers commissioned by RESOLVE: The National Infertility Association and fielded by Mercer found that more than half are providing some sort of fertility coverage and that coverage is expanding among large and small employers alike.¹ According to a Willis Towers Watson survey of 479 employers with at least 100 employees, the percentage of employers covering fertility care is expected to climb to 63% by 2022.²

Several factors are driving the trend toward increased fertility benefits. Employees are having children later in life, often because they delayed childbirth while they focused on their education and careers. Since fertility declines with age, meeting the needs of these valued employees is an important consideration. Another factor is that families are built in many ways, including by single parents and same-sex couples who want the same coverage as their partnered colleagues and opposite-sex couples.

In addition, some research shows that employees may value benefits over salary increases³ and many say that having a broader array of benefits would strengthen their loyalty to their employer.⁴

takeaways

- An increasing number of employers are providing some type of fertility coverage to employees, and the percentage is expected to climb to 63% by 2022.
- Factors driving increased coverage include meeting the needs of employees who have delayed childbirth and providing benefits to single parents and same-sex couples that are on par with those provided to employees who are partnered and opposite-sex couples.
- Employers may choose to add or enhance fertility coverage through their existing health insurance carrier or work with a specialty vendor.
- Choices range from providing fertility coverage without in vitro fertilization (IVF) to placing limits on IVF to providing unlimited coverage with medical management.

Employer Views on Fertility Benefits

Figure 1 shows that the top reasons cited by employers for adding or improving fertility coverage include staying competitive to recruit and retain top talent and supporting diversity, equity and inclusion (DEI) objectives.

Figure 2 shows that the top concern voiced by employers not currently offering fertility benefits centers on cost.

Infertility 101

To make an informed decision about fertility benefits, it's important to understand what infertility is and the treatment options available. Historically, people have not talked about their infertility struggles. As a result, understanding of infertility is not as deep as it is for other diseases and medical conditions.

The American Medical Association and the World Health Organization have designated infertility as a disease.⁵

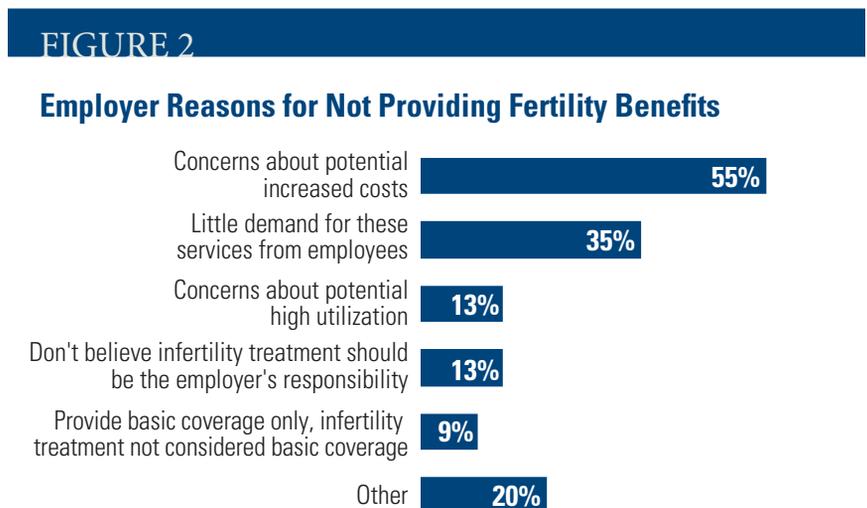
According to the American Society for Reproductive Medicine (ASRM), *infertility* is a disease defined by the failure to achieve a successful pregnancy after 12 months or more of regular, unprotected sexual intercourse or due to an impairment of a person's capacity to reproduce either as an individual or with her/his partner.⁶ According to the Centers for Disease Control and Prevention (CDC), one in eight women of childbearing age has difficulty conceiving or carrying a pregnancy to term.⁷ However, this estimate does not include LGBTQ+ or single individuals who may also need medical intervention to build their families.

When it comes to the experience of employees who are struggling to build their family, they will first need coverage for the diagnostic tests to determine what might be causing their issues. As they engage more with medical treatment, they may need to seek out specialists such as urologists and reproductive endocrinologists. They may need to consider using donated eggs, sperm or embryos or even a gestational surrogate. This can also be an emotionally draining time for people, so access to mental health resources is extremely important. If a person needs in vitro fertilization (IVF), they will have to buy medications from specialty pharmacies and strictly adhere to medication and medical treatment protocols over an extended period of time. The average cost of one cycle of IVF in the U.S. is \$10,000 to \$12,000, and the cost of medications used with IVF runs from \$5,000 to \$7,000.⁸

Having the financial burden removed because of employer-provided coverage can make the difference in someone reaching their family-building goals. Studies also show that em-



Source: Willis Towers Watson. 2020 Emerging Trends in Health Care Survey—U.S.



Source: Mercer. 2021 Survey on Fertility Benefits.

employees with IVF coverage miss less time from work, have a greater sense of loyalty to their employer and stay in their jobs longer.^{9,10} The sidebar “Fertility Benefit Offerings” describes the prevalence of various fertility benefits.

Considerations for Fertility Coverage

Employers and plan sponsors considering adding or enhancing fertility benefits should begin with a review of the current fertility and maternity coverage provided. Is it encouraging good decision making by employees, and what is the impact on the organization’s health care costs? This requires reviewing data such as birth rates, maternity leave and pregnancy costs in the worker population.

If the organization provides limited fertility coverage¹¹—or doesn’t provide any coverage—and employees are paying for treatments out of pocket, it may mean they are engaging in riskier options. They may transfer multiple embryos during IVF to increase the chance of success, which can lead to a multiple pregnancy and birth—such as twins or triplets—that can be extremely costly to employers given the health risks to the mother and babies.

Pregnancies with the delivery of twins cost approximately five times as much on average when compared with singleton pregnancies, and pregnancies with the delivery of triplets or more increase cost nearly twentyfold.¹² In addition, multiple births increase the risk of preterm birth, low birth weight and disability.¹³ According to the March of Dimes, “the average medical cost for a healthy, full-term baby from birth through the first year was \$5,085, of which \$4,389 is paid by employer health plans . . . For premature and/or low birth weight babies (less than 37 weeks gestation and/or less than 2,500 grams), the average cost was \$55,393, of which \$54,149 was paid by the health plan.”¹⁴ Studies show that patients are more likely to transfer a single embryo in an IVF cycle when insurance covers their medical treatment.^{15,16}

In addition to reviewing the organization’s current coverage, employers should talk to their health plan carrier about potential areas for improvement, standard riders for fertility coverage and metrics associated with various fertility benefits.

Nineteen states have laws that require insurance companies to cover or offer infertility treatment. However, in states without an infertility insurance mandate, insurers are not required to offer coverage, even if an employer requests it. And insurers can price the coverage however they choose, often discouraging employers from adding such coverage. These laws do not

Fertility Benefit Offerings

The percentage of organizations offering fertility benefits has increased over the past five years, according to research from the International Foundation of Employee Benefit Plans. The 2020 *Employee Benefits Survey* showed that 30% of U.S. organizations offer fertility benefits.

Here is a look at the types of fertility benefits offered by organizations overall and their growth since 2016.

- 24% cover fertility medications (8% covered in 2016, 14% in 2018).
- 24% cover in vitro fertilization (IVF) treatments (13% in 2016, 17% in 2018).
- 14% cover visits with counselors (e.g., geneticists, surrogacy, etc.) (4% in 2016, 8% in 2018).
- 12% cover genetic testing to determine infertility issues (up slightly from 11% in 2018).
- 11% cover non-IVF fertility treatments (6% in 2016, 11% in 2018).

apply to self-funded Employee Retirement Income Security Act (ERISA) plans.

In recent years, specialty vendors have emerged to provide family-building benefits outside of the medical plan. These third-party payers work directly with employers to provide fertility coverage that supplements their existing health plans. They vary in how they structure benefits in terms of cost sharing between employers and employees, so it’s important to research and compare programs. One advantage of these third-party payers is that benefits can be added at any time, outside of open enrollment.

Structuring Fertility Benefits

There are several factors to consider when structuring fertility benefits, as outlined in a 2021 white paper *Employee Fertility Benefits: An Evidence-Based Guide*.¹⁷ The table on page 28 lists potential benefit structures and the potential impact on patient behaviors and associated health insurance costs.

According to the Mercer survey, most employers do limit fertility coverage by setting a lifetime maximum dollar benefit, although some place a limit on the number of IVF cycles, with three being the median number of cycles covered.¹⁸

When evaluating limitations, covering cycles rather than a dollar amount is considered best practice because as dollar limits are reached, pressure by patients to transfer multiple embryos becomes greater, increasing the likelihood of multiple births which, as previously cited, raises the health risks and health care costs for both mother and baby.

As outlined in the table, unlimited fertility coverage with IVF and medical management may lead to better outcomes because single embryo transfer can be mandated when medically appropriate. Precertification requirements may also direct employees to see a specialist sooner to avoid duplication of tests and reach a clearer diagnosis.

While IVF is the standard of care for many patients, it is important to note that only one in three women who seeks fertility services requires treatment beyond basic medical advice.¹⁸ Other treatment options include medication to stimulate ovulation and *intrauterine insemination (IUI)*, where sperm is transferred into the uterus around the time of ovulation; both carry the risk of multiple pregnancy and require careful monitoring of the patient.

Human resource professionals should take into account

the short- and long-term costs of adding a benefit, including a potential increase in premiums as well as the potential cost savings. Interestingly, the *2021 Survey on Fertility Benefits* found that virtually all respondents (97%) providing infertility coverage did not experience a significant increase in medical plan costs, and this included employers that cover IVF. The sidebar “Fertility Preservation 101” provides additional information about fertility preservation benefits.

Conclusion

There are many questions to ask when it comes to fertility coverage: Does it align with corporate values? Would it support recruitment and retention efforts? What about DEI goals? Are employees asking for family-building benefits? Does the plan have gaps in coverage? Is it worth exploring a third-party payer that provides fertility coverage outside of the medical plan? The landscape is changing, with employees placing greater value on benefits than ever before and more employers expanding their benefits in a competitive labor market. Evaluating whether to provide fertility coverage is likely an important conversation for employers to begin having. 

TABLE

Fertility Benefit Structure and Potential Cost Impact

| Benefit Structure | Patient Behavior | Health Insurance Cost |
|--|---|---|
| No fertility coverage | <ul style="list-style-type: none"> • May incentivize members to opt for more aggressive treatment (multiple embryo transfer) to increase probability of success on first attempt • May incentivize members to attempt treatments that cost less, such as intrauterine insemination (IUI), which may lead to multiple births | Baseline |
| Fertility coverage without in vitro fertilization (IVF) | <ul style="list-style-type: none"> • May incentivize members to exhaust coverage for other therapies prior to trying IVF • If members move on to IVF, they are more likely to select multiple embryo transfer | <ul style="list-style-type: none"> • Can create excess usage of treatments that are less likely to produce singletons (IUI) • Increases the likelihood of multiple births |
| Fertility coverage with limited IVF | Limited IVF attempts may lead to fewer elective single embryo transfers (eSETs) | <ul style="list-style-type: none"> • Increased cost of new IVF benefit • Limited IVF may lead to low usage of eSET, which could result in multiple births |
| Fertility coverage with unlimited IVF | May incentivize members to choose the best course of action | Increased cost of new IVF may be offset by savings resulting from fewer multiple births |
| Unlimited fertility coverage with IVF and medical management | <ul style="list-style-type: none"> • May incentivize members to choose the best course of action based on treatment protocols set by health plans • May require patients to follow rules on eSET and precertification | Increased cost of new IVF benefit may be offset by savings resulting from fewer multiple births (rate of multiple births decreased to a greater extent with medical management than without) |

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Fertility Preservation 101

Employers also may want to consider offering fertility preservation benefits such as egg freezing. With women delaying pregnancy to focus on their careers or couples waiting to start a family for financial reasons, elective egg freezing may protect against future infertility. Also referred to as *fertility preservation for reproductive aging*, this benefit is more common among the largest employers and those in high-tech industries, perhaps in an effort to attract and retain female employees.*

However, not all fertility preservation is elective, and not all is targeted at women. Employees diagnosed with cancer during their reproductive years may be at risk for iatrogenic (or medically induced) infertility from their treatment. Iatrogenic infertility may also affect people undergoing treatment for sickle cell anemia, lupus and other autoimmune diseases. These patients—both male and female—need fertility preservation prior to undergoing medication therapy, surgery, radiation, chemotherapy or other medical treatment that is recognized by medical professionals to cause a risk of impairment to future fertility. Fertility preservation for risk of infertility includes the freezing of eggs, sperm, reproductive tissue and/or embryos. The decision to preserve one's fertility prior to potentially sterilizing medical treatment must often be made in a matter of days or weeks, with no time to save for the procedure. Costs for these treatments can exceed \$20,000 for women but are far lower for men.**

*Mercer. *2021 Survey on Fertility Benefits*.

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bio



Betsy Campbell is chief engagement officer for RESOLVE: The National Infertility Association, a nonprofit organization that works to promote reproductive health and ensures equal access to all family-building options for men and women experiencing infertility or other reproductive disorders. Campbell oversees RESOLVE's Access to Care programs, including thousands of volunteer advocates across the country. She guides public policy for RESOLVE and is a recognized leader on insurance coverage, family building legislation and coalition building. Campbell has 35 years of public affairs and nonprofit management experience and holds an A.B. degree in psychology from Princeton University.

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