May 8, 2019

The Honorable Lorena Gonzalez
Chair, California Assembly Committee on Appropriations
State Capitol, Room 2114
Sacramento, CA 95814

Via E-mail only

Dear Assembly Member Gonzalez:

The California Health Benefits Review Program (CHBRP) was asked by Assembly Appropriations on April 23, 2019 to analyze proposed amendments to Assembly Bill (AB) 767 (Wicks), *Infertility*. The amendments were finalized and published on April 30, 2019. In response, CHBRP is pleased to provide updated cost projections.

CHBRP's analysis of the February 19, 2019 and April 9, 2019 versions of AB 767 included estimated impacts on the small and large group DMHC-regulated and CDI-regulated markets.[1] The April 30th amendments narrow the scope of AB 767 to apply only to DMHC-regulated and CDI-regulated large group markets, including CalPERS. Additionally, the April 30th amended language adds limitations to the coverage of infertility treatments.

Bill Summary

AB 767 requires coverage for treatment of infertility, including in vitro fertilization, and mature oocyte cryopreservation. AB 767, as amended on April 30th, would:

- Apply only to DMHC-regulated and CDI-regulated *large group* markets, including CalPERS;
- Explicitly exclude Medi-Cal;
- Limit coverage of in vitro fertilization (IVF) and mature oocyte cryopreservation (OC) to 3 cycles; and
- Limit lifetime coverage of infertility treatments to $75,000 per enrollee, paid at the contracted rate.

Definitions of infertility treatments remain consistent between bill versions.

Methods

As described in CHBRP's April 18th published full report of AB 767, CHBRP examined Marketscan claims data and Milliman's proprietary Consolidated Health Cost Guidelines Sources Database for

[1] CHBRP's analysis of AB 767 Infertility, published on April 18, 2019, is available at http://chbrp.com/completed_analyses/index.php.

infertility services among enrollees with an infertility diagnosis in California as well as New Jersey, a state where an infertility mandate is already in place. For this analysis of AB 767 as amended on April 30th, CHBRP examined the impacts of the following amendments on the cost model: (1) limited the markets to only DMHC-regulated and CDI-regulated *large group* markets, including CalPERS, (2) a lifetime coverage limit of infertility treatments to $75,000 per enrollee, and (3) limited IVF and mature oocyte cryopreservation to 3 cycles.

$75,000 Lifetime Limit: CHBRP examined the claims for each member diagnosed with infertility over a 2 year period. CHBRP examined claims from members from both California and New Jersey. By examining the utilization patterns, CHBRP determined that most of the infertility services for any given member are captured during a 2 year window. For enrollees with coverage for infertility treatments with the same cost sharing as major medical, CHBRP capped member claims at the $75,000 limit and assumed the out-of-pocket maximum for each plan. For enrollees that do not have the same coverage as major medical, CHBRP capped claims at $150,000, assuming a 50% coinsurance. When CHBRP compared the weighted average total cost of claims without a benefit limit to the weighted average cost of claims with a benefit limit applied and determined that the impact was negligible. Therefore, CHBRP did not make an adjustment in the model to account for this amendment.

3 Cycle Limit: To examine the average number of IVF cycles per enrollee, CHBPR examined IVF and IVF with intracytoplasmic sperm injection (ICSI) utilization in the claims data for estimation of cycles/rounds for enrollees. CHBRP found the majority of IVF and IVF-ICSI users (>95%) used 3 or fewer services. Therefore, CHBRP did not incorporate an adjustment into the model to account for this amendment.

Key Assumptions

In order to provide an updated cost impact analysis, CHBRP has assumed:

- When mature oocyte cryopreservation is performed as part of the in vitro fertilization procedures, the total procedure is considered "1 cycle". Therefore, an enrollee would be able to receive coverage for 1 round of mature oocyte cryopreservation services in year 1, and then in future years would be able to receive health insurance coverage for 2 cycles of in vitro fertilization.
- CHBRP continues to assume enrollees would receive health insurance coverage for "planned oocyte cryopreservation" (planned OC), which includes coverage for women freezing their eggs due to age related fertility preservation.
- The $75,000 lifetime limit applies only to the costs paid by the health insurance plan or policy. Enrollee cost sharing does not count towards the $75,000 limit. Additionally, the lifetime limit applies only to a single insurer. If an enrollee were to switch to a different insurer, the lifetime limit would be re-set.
- CHBRP assumes the amount paid in the Marketscan claims data represents the "contracted rate" for the services. Enrollees seeking care through out of network providers or paying out of pocket fully may face different prices for services.

Revision

In the initial version of this letter, (May 8) one summary table, Table 3, correctly indicated a 0.29% impact. However, the other summary tables, Table 1 and 4, was in error, indicating a 0.35% impact. All tables and text in this version have been updated to indicate the correct 0.29% impact.

Benefit Coverage, Utilization, and Cost Impacts

CHBRP's approach and assumptions remain consistent with the approach taken in CHBRP's previous analysis, published on April 18, 2019, unless otherwise noted above.

Baseline and Postmandate Benefit Coverage

Currently, 5% of enrollees with health insurance that would be subject to AB 767 in DMHC- or CDI- regulated large group plans or policies currently have coverage for infertility treatments, including IVF (see Table 1). 0% of enrollees currently have coverage for mature oocyte cryopreservation as defined by AB 767. Benefit coverage for relevant infertility services among enrollees in DMHC-regulated large group plans or CDI-regulated large group policies would increase to 100% based on the CHBRP assumption that all noncompliant plans and policies at baseline would become compliant postmandate.

Baseline and Postmandate Utilization

CHBRP examined claims data for baseline estimates of utilization of infertility services among large group plan enrollees in California. There are approximately 41,000 users of female diagnostic tests at baseline and 11,000 users of medications for infertility (i.e., only medications and no other service). IUI baseline utilization is about 7,000 users annually. IVF services alone (i.e. without ICSI) is estimated to have about 2,000 users and ICSI, which is done with IVF, is about 2,000 users annually. For males, at baseline there are 19,000 users of diagnostic tests and 9,000 users of any male treatment. At baseline there are an estimated 5,000 pregnancies due to the use of infertility services and 4,000 live births from these pregnancies among large group enrollees.

CHBRP applied postmandate utilization assumptions as described in its April 18, 2019 report. Postmandate in year 1 (2020), CHBRP estimates an increase of: 4,000 users of female diagnostic tests, 2,000 users of medication, 1,000 users of IUI, 4,000 users of IVF procedures, 5,000 users of IVF-ICSI procedures, 2,000 users of male diagnostic test, and 1,000 users of male infertility treatment. This results in an increase in 5,000 pregnancies, and 4,000 live births.

CHBRP did not find any source of data on baseline utilization for planned OC or likely changes postmandate. However, CHBRP modeled potential changes if 2-5% of females aged 25-37 years used planned OC; results of this analysis are described below under *Planned OC* after the *Baseline and Postmandate Expenditures and Premiums* subsection.

Baseline and Postmandate Per-Unit Cost

The proposed amendments to AB 767 do not affect CHBRP's estimates of unit cost that were presented in its April 18, 2019 full report, thus no new estimates are included in this letter.

Baseline and Postmandate Expenditures and Premiums

Table 2 and Table 3 present baseline and postmandate expenditures by market segment for DMHC- and CDI-regulated large group plans and policies. The tables present per member per month (PMPM) premiums, enrollee expenses for both covered and noncovered benefits, and total expenditures (premiums as well as enrollee expenses). In DMHC-regulated large group plans, at baseline per member per month premiums are $595 and total expenditures are $642. For CDI-regulated large group plans, baseline per member per month premiums are $962, and total expenditures $1,125. And, for CalPERS HMO, baseline per member per month premiums are $588 and total expenditures are $636.

AB 767 would increase total net annual expenditures by $462,053,000 or 0.29%. This includes estimates for infertility services and associated pregnancies. It does not include additional expenditures as a result of fertility preservation services. Enrollee expenses increase by $67,346,000 based on an increase in enrollee expenses for covered benefits and a reduction in expenses for noncovered benefits. Overall, premiums increase $394,707,000 (0.27%) postmandate as a result of AB 767.

Specifically, per member per month premiums for DMHC-regulated large group plans postmandate increase by $2.87 (0.48%) and expenditures increase by $3.37 (0.52%). For CDI-regulated large group plans, per member per month premiums increases by $3.39 (0.35%) and expenditures increase by $3.67 (0.33%). And, for CalPERS HMO, per member per month premiums increase by $2.76 (0.47%) and expenditures increase by $3.38 (0.53%).

Planned OC Expenditures

CHBRP estimates[2] that if 2% of women aged 25–37 years used planned OC services, the total expenditures would increase by $246,484,000 (premium increases for large group insurance 0.67% and CalPERS HMO 0.80%). If a higher share of women aged 25–37 used planned OC (5%), total expenditures would increase by $616,216,000 (premium increases for large group insurance increase 1.08% and CalPERS HMO 1.29%). This assumes the average cost for OC is $10,078.

Enrollee Out-of-Pocket Spending for Covered and Noncovered Expenses

CHBRP estimates the marginal impact of the bill on out-of-pocket spending for covered and noncovered expenses, defined as uncovered medical expenses paid by the enrollee as well as out-of-pocket expenses (e.g., deductibles, copayments, and coinsurance). CHBRP estimates that enrollees with uncovered expenses at baseline would receive on the whole a $83,639,000 reduction in their out-of-pocket spending postmandate (for full details please see Table 1 at the end of this letter).

CHBRP found minimal impact of the $75,000 coverage and 3 cycle limit (i.e amended AB 767) on estimated changes in expenditures and premiums in year 1 and year 2 compared to the prior version of AB 767. However, it is important to note that a small number of enrollees may indeed reach these limits and will either elect to pay fully out-of-pocket for additional services or will cease infertility treatments.

[2] A utilization range of 2% to 5% was discussed and agreed upon between CHBRP and the content expert.

Potential Cost of Exceeding Essential Health Benefits

Large group plans are not subject to EHBs. Therefore, the state would not be responsible for defraying additional costs incurred by enrollees in qualified health plans for a state mandate that would exceed the state's definition of EHBs.

Postmandate Changes in the Number of Uninsured Persons

Because the change in average premiums does not exceed 1% for any market segment (Table 1, Table 2, and Table 3) for coverage of infertility treatments, CHBRP would expect no measurable change in the number of uninsured persons due to the enactment of AB 767, as amended on April 30th.

However, should 5% of female enrollees aged 25–37 use mature OC services as a form of fertility preservation, premiums would increase by more than 1% for enrollees in large group and CalPERS HMO plans (premium increases for private employers for large group insurance increase 1.08% and CalPERS HMO 1.29%). It is unclear how the increase in premiums might result in a rise in uninsurance rates, since not all of the resulting premium increase would be transferred to the enrollee. For this reason, CHBRP is not projecting an increase in the number of uninsured.

Long-Term Impacts

Long-term utilization impacts remain similar between the versions of AB 767. However, because AB 767 as amended on April 30th limits enrollees to 3 cycles of IVF, enrollees may choose to transfer more than one embryo at a time in order to increase chances of a successful embryo implementation. If this were the case, some of the anticipated reductions in multiple embryo transfers and the associated reduction is maternal and fetal harms would be attenuated. Alternately, in order to increase the success of an embryo transfer, enrollees may increasingly use ICSI and genetic testing, which enables enrollees to transfer the most viable embryos.

It should be noted that while CHBRP found the impact of the $75,000 limit is negligible for the 2020 and 2021 projection years, should the cost of infertility treatments increase over time, more enrollees would exceed the $75,000 limit or would need to receive fewer services to remain under the limit.

In CHBRP's previous analysis, CHBRP posited that over the long term, enrollees may seek IVF and other more expensive treatments sooner due to the enactment of AB 767 and coverage of infertility services. However, if enrollees are limited to 3 cycles of IVF, enrollees may turn to other less expensive treatments, such as intrauterine insemination (IUI) first, before using IVF, should utilization of the other covered services result in success.

Thank you for allowing CHBRP the opportunity to further assist. We are happy to answer any questions.

Sincerely,

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Table 1. AB 767 Impacts on Benefit Coverage, Utilization, and Cost, 2020 – revised for 4/30/19 amended language

	Baseline	Postmandate	Increase/ Decrease	Percentage Change
Benefit coverage				
Total enrollees with health insurance subject to state benefit mandates (a)	24,490,000	24,490,000	0	0%
Total enrollees with health insurance subject to AB 767	11,406,000	11,406,000	0	0%
Percentage of enrollees with coverage for infertility services, including IVF	5.5%	100%	96%	1732%
Number of enrollees with coverage for infertility services, including IVF	622,600	11,406,000	96%	1732%
Percentage of enrollees with coverage for mature oocyte cryopreservation	0%	100%	100%	100%
Number of enrollees with coverage for mature oocyte cryopreservation	0	11,406,000	100%	100%
Utilization and unit cost				
Female - Number of enrollees using:				
Diagnostic tests	41,000	45,000	4,000	10%
Medications only	11,000	13,000	2,000	18%
IVF	2,000	6,000	4,000	200%
ICSI-IVF	2,000	7,000	5,000	250%
IUI	7,000	8,000	1,000	14%
Male - Number of enrollees using:				
Diagnostic tests	19,000	21,000	2,000	11%
Treatment	9,000	10,000	1,000	11%
Average per unit cost				
Diagnostic tests	$458	$458	$0	0%
Medications only	$5,486	$5,486	$0	0%
IVF	$15,331	$15,331	$0	0%
ICSI-IVF	$28,773	$28,773	$0	0%
IUI	$6,593	$6,593	$0	0%
Male diagnostic tests	$81	$81	$0	0%
Male treatment	$635	$635	$0	0%
Pregnancy				
# of pregnancies due to infertility services (all types)	5,000	10,000	5,000	100%
# of live birth deliveries due to infertility services (single, twin, multiples)	4,000	8,000	4,000	100%
Average annual cost of pregnancy and delivery from infertility services (single, twin, multiples)	$37,000	$38,000	1,000	3%
Expenditures				
Premiums by payer				

Private employers for group insurance	$86,438,375,000	$86,788,110,000	$349,735,000	0.40%
CalPERS HMO employer expenditures (b) (c)	$3,098,551,000	$3,113,090,000	$14,539,000	0.47%
Medi-Cal Managed Care Plan expenditures	$28,492,273,000	$28,492,273,000	$0	0%
Enrollees with individually purchased insurance	$12,045,324,000	$12,045,324,000	$0	0%
Enrollees with group insurance, CalPERS HMOs, Covered California, and Medi-Cal Managed Care (c)	$14,476,394,000	$14,506,827,000	$30,433,000	0.21%
Enrollee expenses				
For covered benefits (deductibles, copayments, etc.) (d)	$14,750,880,000	$14,901,865,000	$150,985,000	1.02%
For noncovered benefits (e)	$83,639,000	$0	-$83,639,000	-100%
Total expenditures	$159,385,436,000	$159,847,489,000	$462,053,000	0.29%

Source: California Health Benefits Review Program, 2019.

Notes: For estimates of the impact of mature oocyte cryopreservation coverage, refer to the *Benefit, Cost, and Utilization* section.

(a) Enrollees in plans and policies regulated by DMHC or CDI aged 0 to 64 years as well as enrollees 65 years or older in employer-sponsored health insurance. This group includes commercial enrollees (including those associated with Covered California or CalPERS) and Medi-Cal beneficiaries enrolled in DMHC-regulated plans.[3]

(b) Approximately 56.17% of CalPERS enrollees in DMHC-regulated plans are state retirees, state employees, or their dependents.

(c) Enrollee premium expenditures include contributions by employees to employer-sponsored health insurance, health insurance purchased through Covered California, and contributions to Medi-Cal Managed Care.

(d) Enrollee out-of-pocket expenses for covered benefits for IVF and ICSI services (not including associated pregnancies) is $33,233,00, at baseline and $126,009,00 postmandate, resulting in an increase of 279%; for all other infertility services, out-of-pocket expenses at baseline is $14,171,647,000 and $14,775,856,000 postmandate, a 0.40% increase.

(e) Includes only expenses paid directly by enrollees (or other sources) to providers for services related to the mandated benefit that are not currently covered by insurance. This only includes those expenses that would be newly covered postmandate. Other components of expenditures in this table include all health care services covered by insurance.

Key: CalPERS = California Public Employees' Retirement System; CDI = California Department of Insurance; DMHC = Department of Managed Health Care; HMO = Health Maintenance Organizations; ICSI = intracytoplasmic sperm injection; IUI = intrauterine insemination; IVF = in vitro fertilization

[3] For more detail, see *Estimates of Sources of Health Insurance in California*, available at http://chbrp.com/analysis_methodology/cost_impact_analysis.php.

Table 2. Baseline Per Member Per Month Premiums and Total Expenditures by Market Segment, California, 2020 – revised for 4/30/19 amended language

	DMHC-Regulated						CDI-Regulated			
	Privately Funded Plans (by Market) (a)			Publicly Funded Plans			Privately Funded Plans (by Market) (a)			
	Large Group	*Small Group*	*Individual*	*CalPERS HMOs (b)*	*MCMC (Under 65) (c)*	*MCMC (65+) (c)*	*Large Group*	*Small Group*	*Individual*	**Total**
Enrollee counts										
Total enrollees in plans/policies subject to state mandates (d)	10,565,000	3,099,000	2,184,000	523,000	6,796,000	795,000	318,000	108,000	102,000	24,490,000
Total enrollees in plans/policies subject to AB 767	10,565,000	3,099,000	0	523,000	0	0	318,000	108,000	0	16,899,000
Premiums										
Average portion of premium paid by employer	$555.35	$341.99	$0.00	$493.71	$268.13	$694.55	$710.92	$462.84	$0.00	$118,029,198,000
Average portion of premium paid by employee	$39.66	$205.44	$437.39	$94.04	$0.00	$0.00	$250.37	$202.64	$475.67	$26,521,718,000
Total premium	**$595.01**	**$547.43**	**$437.39**	**$587.76**	**$268.13**	**$694.55**	**$961.29**	**$665.48**	**$475.67**	**$144,550,916,000**
Enrollee expenses										
For covered benefits (deductibles, copays, etc.)	$46.18	$121.03	$115.38	$48.33	$0.00	$0.00	$162.44	$186.84	$168.51	$14,750,880,000
For noncovered benefits (e)	$0.61	$1.31	$0.00	$0.47	$0.00	$0.00	$0.98	$1.24	$0.00	$83,639,000
Total expenditures	**$641.80**	**$668.46**	**$552.77**	**$636.55**	**$268.13**	**$694.55**	**$1,124.71**	**$852.31**	**$644.18**	**$159,385,434,000**

Source: California Health Benefits Review Program, 2019.

Notes: (a) Includes enrollees with grandfathered and nongrandfathered health insurance acquired outside or through Covered California (the state's health insurance marketplace).

(b) As of October 2018, 56% of CalPERS HMO members were state retirees under age 65 years, state employees, or their dependents. CHBRP assumes the same ratio for 2020.

(c) Medi-Cal Managed Care Plan expenditures for members over 65 include those who are also Medicare beneficiaries. This population does not include enrollees in COHS.

(d) This population includes both persons who obtain health insurance using private funds (group and individual) and through public funds (e.g., CalPERS HMOs, Medi-Cal Managed Care Plans). Only those enrolled in health plans or policies regulated by the DMHC or CDI are included. Population includes all enrollees in state-regulated plans or policies aged 0 to 64 years,

and enrollees 65 years or older covered by employer-sponsored health insurance.

(e) Includes only those expenses that are paid directly by enrollees or other sources to providers for services related to the mandated benefit that are not currently covered by insurance.

Key: CalPERS HMOs = California Public Employees' Retirement System Health Maintenance Organizations; CDI = California Department of Insurance; COHS = County Organized Health Systems; DMHC = Department of Managed Health Care; MCMC = Medi-Cal Managed Care.

Table 3. Postmandate Per Member Per Month Premiums and Total Expenditures by Market Segment, California, 2020 – revised for 4/30/19 amended language

	DMHC-Regulated						CDI-Regulated			
	Privately Funded Plans (by Market) (a)			Publicly Funded Plans			Privately Funded Plans (by Market) (a)			
	Large Group	*Small Group*	*Individual*	*CalPERS HMOs (b)*	*MCMC (Under 65) (c)*	*MCMC (65+) (c)*	*Large Group*	*Small Group*	*Individual*	**Total**
Enrollee counts										
Total enrollees in plans/policies subject to state mandates (d)	10,565,000	3,099,000	2,184,000	523,000	6,796,000	795,000	318,000	108,000	102,000	24,490,000
Total enrollees in plans/policies subject to AB 767	10,565,000	0	0	523,000	0	0	318,000	0	0	14,613,000
Premiums										
Average portion of premium paid by employer	$2.6831	$0.00	$0.00	$2.3166	$0.00	$0.00	$2.5089	$2.4591	$0.00	$364,274,000
Average portion of premium paid by employee	$0.1916	$0.00	$0.00	$0.4413	$0.00	$0.00	$0.8836	$1.0766	$0.00	$30,433,000
Total premium	$2.8747	$0.00	$0.00	$2.7578	$0.00	$0.00	$3.3925	$3.5357	$0.00	**$394,707,000**
Enrollee expenses										
For covered benefits (deductibles, copays, etc.)	$1.0990	$0.00	$0.00	$1.0896	$0.00	$0.00	$1.2635	$0.00	$0.00	$150,985,000
For noncovered benefits (e)	-$0.6071	$0.00	$0.00	-$0.4650	$0.00	$0.00	-$0.9816	$0.00	$0.00	-$83,639,000
Total expenditures	$3.3665	$0.00	$0.00	$3.3824	$0.00	$0.00	$3.6744	$0.00	$0.00	**$462,054,000**
Percent change										
Premiums	0.4831%	0%	0%	0.4692%	0%	0%	0.3529%	0%	0%	0.2731%
Total expenditures	0.5245%	0%	0%	0.5314%	0%	0%	0.3267%	0%	0%	0.2899%

Source: California Health Benefits Review Program, 2019.

Notes: (a) Includes enrollees with grandfathered and nongrandfathered health insurance acquired outside or through Covered California (the state's health insurance marketplace).

(b) As of October 2018, 56% of CalPERS HMO members were state retirees under age 65 years, state employees, or their dependents. CHBRP assumes the same ratio for 2020.

(c) Medi-Cal Managed Care Plan expenditures for members over 65 include those who are also Medicare beneficiaries. This population does not include enrollees in COHS.

(d) This population includes both persons who obtain health insurance using private funds (group and individual) and through public funds (e.g., CalPERS HMOs, Medi-Cal Managed Care Plans). Only those enrolled in health plans or policies regulated by the DMHC or CDI are included. Population includes all enrollees in state-regulated plans or policies aged 0 to 64 years, and enrollees 65 years or older covered by employer-sponsored health insurance.

(e) Includes only those expenses that are paid directly by enrollees or other sources to providers for services related to the mandated benefit that are not currently covered by insurance.

Key: CalPERS HMOs = California Public Employees' Retirement System Health Maintenance Organizations; CDI = California Department of Insurance; COHS = County Organized Health Systems; DMHC = Department of Managed Health Care; MCMC = Medi-Cal Managed Care.

Table 4. AB 767 Impacts on Benefit Coverage, Utilization, and Cost, 2021 – revised for 4/30/19 amended language

	Baseline	Postmandate	Increase/ Decrease	Percentage Change
Benefit coverage				
Total enrollees with health insurance subject to state benefit mandates (a)	24,490,000	24,490,000	0	0%
Total enrollees with health insurance subject to AB 767	11,406,000	11,406,000	0	0%
Percentage of enrollees with coverage for infertility services, including IVF	5.5%	100%	96%	1732%
Number of enrollees with coverage for infertility services, including IVF	622,600	11,406,000	96%	1732%
Percentage of enrollees with coverage for mature oocyte cryopreservation	0%	100%	100%	100%
Number of enrollees with coverage for mature oocyte cryopreservation	0	11,406,000	100%	100%
Utilization and unit cost				
Female - Number of enrollees using:				
Diagnostic tests	41,000	45,000	4,000	10%
Medications only	11,000	13,000	2,000	18%
IVF	2,000	6,000	4,000	200%
ICSI-IVF	2,000	7,000	5,000	250%
IUI	7,000	8,000	1,000	14%
Male - Number of enrollees using:				
Diagnostic tests	19,000	21,000	2,000	11%
Treatment	9,000	10,000	1,000	11%
Average per unit cost				
Diagnostic tests	$467	$467	$0	0%
Medications only	$5,756	$5,756	$0	0%
IVF	$16,012	$16,012	$0	0%
ICSI-IVF	$30,027	$30,027	$0	0%
IUI	$6,900	$6,900	$0	0%
Male diagnostic tests	$83	$83	$0	0%
Male treatment	$652	$652	$0	0%
Pregnancy				
# of pregnancies due to infertility services (all types)	5,000	10,000	5,000	100%
# of live birth deliveries due to infertility services (single, twin, multiples)	4,000	8,000	4,000	100%
Average annual cost of pregnancy and delivery from infertility services (single, twin, multiples)	$37,000	$39,000	2,000	5%
Expenditures				

Premiums by payer

Private employers for group insurance	$90,700,422,000	$91,061,029,000	$360,607,000	0.40%
CalPERS HMO employer expenditures (b) (c)	$3,234,903,000	$3,249,963,000	$15,060,000	0.47%
Medi-Cal Managed Care Plan expenditures	$29,186,401,000	$29,186,401,000	$0	0%
Enrollees with individually purchased insurance	$13,111,153,000	$13,111,153,000	$0	0%
Enrollees with group insurance, CalPERS HMOs, Covered California, and Medi-Cal Managed Care (c)	$15,255,718,000	$15,287,123,000	$31,405,000	0.21%
Enrollee expenses				
For covered benefits (deductibles, copayments, etc.) (d)	$15,636,259,000	$15,793,067,000	$156,808,000	1.00%
For noncovered benefits (e)	$87,249,000	$0	-$87,249,000	-100%
Total expenditures	$167,212,105,000	$167,688,736,000	$476,631,000	0.29%

Source: California Health Benefits Review Program, 2019.

Notes: For estimates of the impact of mature oocyte cryopreservation coverage, refer to the *Benefit, Cost, and Utilization* section.

(a) Enrollees in plans and policies regulated by DMHC or CDI aged 0 to 64 years as well as enrollees 65 years or older in employer-sponsored health insurance. This group includes commercial enrollees (including those associated with Covered California or CalPERS) and Medi-Cal beneficiaries enrolled in DMHC-regulated plans.[4]

(b) Approximately 56.17% of CalPERS enrollees in DMHC-regulated plans are state retirees, state employees, or their dependents.

(c) Enrollee premium expenditures include contributions by employees to employer-sponsored health insurance, health insurance purchased through Covered California, and contributions to Medi-Cal Managed Care.

(d) Enrollee out-of-pocket expenses for covered benefits for IVF and ICSI services (not including associated pregnancies) is $34,658,395 at baseline and $131,307,278 postmandate, resulting in an increase of 279%; for all other infertility services, out-of-pocket expenses at baseline is $15,601,600,605 and $15,661,759,722 postmandate, a 0.39% increase.

(e) Includes only expenses paid directly by enrollees (or other sources) to providers for services related to the mandated benefit that are not currently covered by insurance. This only includes those expenses that would be newly covered postmandate. Other components of expenditures in this table include all health care services covered by insurance.

Key: CalPERS = California Public Employees' Retirement System; CDI = California Department of Insurance; DMHC = Department of Managed Health Care; HMO = Health Maintenance Organizations; ICSI = intracytoplasmic sperm injection; IUI = intrauterine insemination; IVF = in vitro fertilization

[4] For more detail, see *Estimates of Sources of Health Insurance in California*, available at http://chbrp.com/analysis_methodology/cost_impact_analysis.php.