

LFC Requester:

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/18/2025 *Check all that apply:*
Bill Number: HB95 Original Correction
 Amendment Substitute

Sponsor: Pamelya Herndon **Agency Name and Code:** New Mexico Public Schools Insurance Authority 34200
Short Title: Coverage for Fertility Preservation Services **Number:** _____
Person Writing: Kaylynn Roybal
Phone: 505-476-1672 **Email:** kaylynn.roybal@psia.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0	\$10,270	\$20,850	\$31,120.	Reoccurring	NMPSIA Benefits

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Mandates group health insurance policies and self-insured policies issued in New Mexico provide coverage for fertility preservation services to individuals who face a significant risk of infertility due to medical conditions or necessary treatments. The bill specifies that these services include medical procedures such as the procurement, cryopreservation, and storage of reproductive materials, including oocytes, embryos, sperm, and gonadal tissue. These procedures must adhere to accepted clinical practice guidelines established by professional medical organizations.

The bill is particularly focused on ensuring that individuals undergoing treatments with a known Insurance policies are required to offer this coverage without imposing restrictions. The legislation prohibits discrimination in coverage based on age, sex, sexual orientation, marital status, gender, gender identity, expected lifespan, present or predicted disability, degree of medical dependency, or perceived quality of life.

The effective date of House Bill 95 is January 1, 2026.

FISCAL IMPLICATIONS

It is noted a bill analysis request was not received by NMPISA however it is imperative to understand the impact that NMPSIA will experience.

Projected Fiscal Impact of Fertility Preservation Coverage

An analysis of the projected costs for fertility preservation coverage indicates a significant financial impact based on estimated utilization rates and procedure costs. The following assumptions and calculations outline the expected expenditure:

Key Assumptions and Utilization Rates

- The fiscal impact in FY26 reflects a half-year cost due to the policy's effective date.
- Eligibility and Utilization Estimates:
 - 7.5% of adults aged 18-45 are expected to be diagnosed with infertility.
 - 2.5% of adults in this age group may seek fertility preservation for non-infertility reasons.
 - 40% of eligible adults are expected to proceed with fertility preservation,
 - including those induced by coverage availability.

Further details to follow on next page.

Projected Cost Per Procedure (Adjusted to FY2025 and increasing at 8% annually):

Service	Estimated Cost
Consultation(s)	\$1,500
Egg/Sperm Retrieval (Includes Anesthesia)	\$12,500
Pharmacy (Hormone Stimulation)	\$10,000
Freezing Procedure	\$1,000
Storage (5 Years @ \$1,000/year)	\$5,000
Total Per Procedure	\$30,000

Plan Cost Allocation Based on Enrollment and Coverage

The total cost to NMPSIA is adjusted based on the weighted average plan coverage of enrolled members:

- 70.5% of members are in the High Option Plan, which covers 82.8% of costs.
- 28.3% of members are in the Low Option Plan, which covers 79.3% of costs.
- 1.2% of members are in the EPO Plan, which covers 83.1% of costs.

Projected Financial Impact on NMPSIA

- The number of expected procedures is calculated by applying utilization rates to the total number of eligible adults in the plan.
- The cost per procedure is applied to one full cycle and projected forward at the assumed 8% annual trend rate.
- NMPSIA's plan-paid share is determined based on the weighted average enrollment across all plan options.

Conclusion

Given the high cost per procedure and expected utilization, the introduction of fertility preservation coverage represents a significant increase in NMPSIA's healthcare expenditures. The long-term financial impact will continue to grow annually due to increasing medical costs and storage fees. NMPSIA will need to closely monitor utilization trends and cost fluctuations to assess the ongoing budgetary implications of this coverage expansion.

SIGNIFICANT ISSUES

The financial impact of covering fertility preservation under NMPSIA is influenced by various factors, including utilization rates, procedural costs, and the absence of clear legislative guidelines regarding coverage frequency and extent. Without specific details on how many cycles would be covered or what services would be included, cost estimates remain fluid and subject to change.

Factors Affecting Costs and Utilization

- **Eligibility and Demand:** Coverage would apply to individuals diagnosed with infertility, those undergoing medical treatments that could impact fertility, individuals exposed to environmental or occupational hazards, and those opting for preservation due to future family planning. These categories create a broad potential user base, increasing NMPSIA's financial responsibility.
- **Initial Surge in Utilization:** When coverage becomes available, more individuals may seek fertility preservation than would have otherwise, leading to a temporary spike in costs. While this surge may level off over time, ongoing advancements in medical treatments and increasing awareness may sustain a higher level of demand than currently projected.
- **Cost Per Procedure:** Fertility preservation is a multi-step process that includes consultations, medical procedures, medications, and long-term storage. Each of these components carries significant costs, and the overall expense is expected to increase annually due to inflation and rising healthcare prices.

Limitations of Cost Estimates

- **Exclusion of Additional Fertility Treatments:** The analysis only considers the cost of preserving fertility and does not account for additional procedures such as embryo transfers, fertilization, or second retrieval cycles, which could substantially increase NMPSIA's financial exposure.
- **Impact on Birth-Related Costs:** Assisted Reproductive Technology increases the likelihood of multiple births, which are more likely to result in complicated pregnancies, C-sections, and neonatal care costs. These additional healthcare expenses are not reflected in the current estimates but could become a financial factor for NMPSIA over time.
- **Potential Increase in Covered Dependents:** As more individuals successfully preserve their fertility and later expand their families, the number of dependent children covered under NMPSIA plans may rise, further impacting long-term costs.

Plan Design and Financial Implications

- **Cost Allocation Based on Enrollment:** The financial burden of this coverage will depend on how members are distributed across NMPSIA's different health plans, each of which covers a varying percentage of total medical expenses. The proportion of costs NMPSIA ultimately bears will be determined by the mix of plan selections among members.
- **Future Policy Adjustments Could Increase Costs:** If legislation is later amended to expand coverage—such as increasing the number of cycles covered or including additional treatments—the financial impact on NMPSIA will grow accordingly. These potential changes must be considered when assessing long-term sustainability.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS