



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 9, 2023

Honorable Stacey Evans
State Representative
409-D Coverdell Legislative Office Bldg.
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill (LC 52 0145)

Dear Representative Evans:

This bill would require that health benefit policies provide hospital, medical, or surgical coverage for medically necessary expenses for standard fertility preservation services when a necessary medical treatment may directly or indirectly cause iatrogenic infertility. The bill would apply to any plan issued, delivered, or renewed after January 1, 2024.

The bill would impact both the Department of Community Health (DCH) and the Office of the Commissioner of Insurance (OCI). DCH estimated costs associated with Medicaid coverage, as detailed below. OCI anticipated no need for additional funding.

Department of Community Health

As shown in **Table 1**, the bill would result in additional state Medicaid costs. Preservation costs will continue for multiple years, increasing the total costs in year two and beyond. It is assumed that the federal cost sharing will not cover these services; therefore, all costs will be paid by the state. Finally, because post-preservation options like invitro fertilization and surrogacy are not required by the bill, those costs are not included. Additional assumptions and details of the estimate are below the table.

Table 1: Cost Estimate LC 52 1045 – Single Year

Component	Low Estimate	High Estimate
Female – Egg, Embryo, or Ovarian Tissue		
Number Needing Service	738	1,107
Initial Collection Cost	\$7,000	\$15,000
Annual Preservation Cost	\$300	\$1,000
<i>Subtotal</i>	<i>\$5,387,400</i>	<i>\$17,712,000</i>
Male – Sperm		
Number Needing Service	264	264
Initial Collection Cost	\$300	\$1,000
Annual Preservation Cost	\$100	\$600
<i>Subtotal</i>	<i>\$105,600</i>	<i>\$442,400</i>
Total One-Year Expenditures	\$5,493,000	\$18,134,400

DCH provided a range of procedure costs identified through a review of numerous sources. It also provided two methods for identifying the number of Medicaid enrollees that may receive a cancer diagnosis and utilize the preservation services.

Female Cost Estimates

- *Collection* – This includes the costs of collecting the egg, embryo, or ovarian tissue. Each procedure has a different range of costs that fall within the range included in Table 1.
- *Preservation* – The costs to freeze and hold in storage is a recurring, annual cost. Table 1 shows the first year cost.
- *Utilization* – DCH estimated the Medicaid population that would be diagnosed with certain types of cancer (breast, uterine cervix, colon and rectum, lungs and bronchus, and prostate). There are two estimates of the number of females who will receive a diagnosis. One applies the female incident rate of the selected cancers to the population on Medicaid (low estimate). The high estimate determines the number of Medicaid enrollees who will receive a cancer diagnosis and distributes those diagnosis to females based on their percentage of the Medicaid population.

Based on information from the American Society of Clinical Oncology, we assume that 41% of diagnosed women will utilize preservation services.

Male Cost Estimates

- *Collection* – Collection costs include sperm collection and analysis. There is normally one cost for sperm collection, and depending on the insurance provider, the level of coverage cost will vary.
- *Preservation* – The storage costs for preservation are annual ongoing costs, range is particular to insurance coverage.
- *Utilization* – Utilization for males was calculated in the same manner described for females above. The two methods produced similar results, resulting in the same number being used for the low and high estimates. Based on information from the American Society of Clinical Oncology, we assume that 24% of diagnosed men will utilize preservation services.

Office of Commissioner of Insurance and Safety Fire

OCI will be responsible for ensuring that regulated plans comply with the bill's requirements. The office does not expect the bill to result in significant administration costs and expects to meet its obligations with existing resources.

Respectfully,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget