



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

February 12, 2025

Honorable Eddie Lumsden
Chairman, House Insurance Committee
220-A State Capitol
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 52 0653)

Dear Chairman Lumsden:

The bill would require that health plans cover certain expenses for standard fertility preservation services when a medically necessary treatment for conditions that may directly or indirectly cause an impairment of fertility. Covered costs include evaluation expenses, laboratory assessments, medications, and treatments associated with standard fertility preservation services. The bill allows for age restrictions, a lifetime limit per procedure per eligible insured, and the exclusion of experimental procedures from coverage. The benefits will be subject to the same deductibles, coinsurance, and copayment provisions established for all covered benefits. Covered health plans include the State Health Benefit Plan, the health plan provided by the University System of Georgia, and Medicaid.

This proposed legislation is estimated to cost between \$14.8 million and \$29.7 million annually (see Table 1). Agencies impacted include the Georgia Department of Community Health (DCH), the Office of Commissioner of Insurance and Safety Fire (OCI), and the University System of Georgia (USG). Administrative costs are expected to be minimal, as current resources and staff were indicated to be sufficient for implementation of the bill.

Table 1: Estimated Annual Fiscal Impact

	Number of Members Utilizing Services	Estimated Expenditures
Low Estimate		
DCH	1,398	\$7,335,750
OCI	0	\$0
USG	<u>500</u>	<u>\$7,500,000</u>
Total	1,898	\$14,835,750
High Estimate		
DCH	1,767	\$22,236,600
OCI	0	\$0
USG	<u>500</u>	<u>\$7,500,000</u>
Total	2,267	\$29,736,600

The cost estimated for the three agencies are discussed in more detail below.

- Department of Community Health** – DCH indicated that healthcare services included in the proposed legislation would cost between \$7.3 million and \$22.2 million annually (**Table 2**). Preservation costs will continue for multiple years, increasing the total costs in year two and beyond. The range provided includes calculations of how many Medicaid members are estimated to utilize preservation services and what type of preservation process members utilize, given the cost differential between egg, embryo, or ovarian tissue preservation and sperm preservation.

Table 2: DCH Low and High Cost Estimates

	Members Utilizing Services		Estimated Expenditures	
	Low	High	Low	High
Medicaid	1,002	1,371	\$5,493,000	\$18,134,400
State Health Benefit Plan	396	396	\$1,842,750	\$4,102,200
Total	1,398	1,767	\$7,335,750	\$22,236,600

The range considers varying numbers of Medicaid members utilizing fertility preservation services and a range in costs per procedure. The estimates assume that cancer would be the disease likely to result in most cases of preservation services. The low estimate applies the female and male incident rate of the selected cancers to the population on Medicaid, while the high estimate estimates the number of Medicaid enrollees who will receive a new cancer diagnosis and distributes those to female and male members based on their percentage of the Medicaid population.

- University System of Georgia** – USG is a state agency that comprises of public higher education institutions and provides its employees with healthcare plans. As USG does not currently cover fertility services, it is estimated that around 500 members would be impacted by this legislation. Based on information provided by a USG healthcare plan provider, there is a cost of \$15,000 per preservation service per year and the estimated impact is \$7.5 million per year.
- Office of Commissioner of Insurance and Safety Fire** – OCI is the administrative agency identified in this bill. It would ensure that health plans comply with the bill’s provisions. OCI indicated that can implement the provisions outlined in this bill with current resources and staff.

OCI also stated that the potential increase in premiums could have indirect effects on current Georgia Access and Reinsurance program funding. The Reinsurance program is primarily supported by a federal passthrough grant, and a factor in the grant award amount is the state’s efforts to control premium costs of participating plans. OCI also noted that Georgia Access is supported by user fee revenue based on premiums. If premiums increase and the number of the users is not significantly impacted, user fee revenue would increase. If the number of users declines significantly, user fee revenue would decline.

Respectfully,



Greg S. Griffin
State Auditor



Richard Dunn, Director
Office of Planning and Budget

GSG/RD/pj