Mandated Benefits Review - Senate Bill 1183 - Executive Summary

After reviewing the staff analysis of Senate Bill 1183-infertility diagnosis and treatment-Pennsylvania Health Care Cost Containment Council does not find evidence to recommend this bill at this time. While this issue is emotionally compelling, we were unable to find *needed proof* in the review of Senate Bill 1183 that comprehensive coverage of infertility services would be cost effective. In general, the Council believes that recommending the passage of legislation calling for health care mandates be limited to those measures which are of both proven efficacy and cost effectiveness. Infertility treatments are costly and have a relatively low rate of success in comparison to treatments for many medical conditions.

The Council also considered SB 1183 in light of serious concerns about the cumulative impact which mandates have on the costs of health care. While mandated benefits provide people with health insurance more health care options, they also play a role in fewer Pennsylvanians being insured. We conclude that mandating insurance coverage of costly treatments which benefit comparatively few Pennsylvania residents is not a cost effective means of utilizing limited health care resources. With many health care needs not covered and with 12 percent of the adult population in Pennsylvania without even basic coverage, there is no persuasive reason to give infertility treatment special priority under law. We note the following points:

- Though infertility frustrates a basic human desire, it is not generally a threat to a person's physical well being. While infertility has a significant emotional impact upon patients and is a medical condition for which treatments are available, infertility is not a life-threatening medical condition.
- Infertility treatments are costly. The costs associated with infertility treatment are likely to continue to rise as more technologically advanced treatments are developed. These undeveloped treatments would be covered by this open-ended legislation though their cost is not yet known. Given the high costs, the success rate is open to concern. About 50% of women who complete an infertility evaluation and go on to get infertility treatment of any type will eventually have a baby.
- In Massachusetts, where infertility benefits are mandated, the rate of assisted reproductive technology utilization is about five times higher than in Pennsylvania. The experience in Massachusetts suggests that infertility mandates could result in a *significant increase* in the use of fertility services, raising the costs substantially.
- The minimum cost of the proposal could reach between $49 and $123 million annually. Insufficient information was provided that could be used to determine any degree of *savings* in health care dollars.
- Submissions did not demonstrate that a lack of coverage results in inadequate health care. The fact that more women take advantage of insurance coverage of assisted reproductive technologies when it is available may indicate the *desirability* of the coverage but does not necessarily indicate that those without this coverage experience inadequate health care. The absence of insurance coverage may lead to financial hardship for those pursuing a full course of treatment for infertility, but the financial hardship experienced is the result of a personal choice made on the basis of a host of individual considerations.
- Issues were raised regarding the inclusive language of the legislation. The definition of infertility does not differentiate by age or any other way. As written, post menopausal women, persons who have undergone voluntary sterilization, surrogates, and habitual aborters would have in vitro procedures covered by insurance.
- Finally, the Council's enabling legislation provides for a preliminary staff review of submitted materials to determine if documentation received is sufficient to proceed with the formal Mandated Benefits Review process outlined in Act 34 of 1993. We conclude that neither supporters nor opponents of the bill provided sufficient information to warrant a full review by a Mandated Benefits Review Panel; nor, given the documentation received, do we believe a panel of experts would come to conclusions different than the ones reached here.

The Council suggests that caution must be used when considering health care mandates. In particular, attention must be given to the cumulative financial effect of enacting mandates. The Council notes the correlation between the number of mandates and the increasing cost of health insurance, the increasing number of uninsured, the incentive for large employers to self insure, and the decreasing number of employees covered by employer sponsored health insurance. As a Council, we are charged with the responsibility to "promote the public interest by encouraging the development of competitive health care services in which *health care costs are contained* and to assure that all citizens have reasonable access to quality health care" (Act 34 of 1993).

The Council contends that some mandates have the potential to meet proven efficacy and cost-effectiveness standards. For others, however, the balance is not so clear. While the Council is sensitive to those suffering from infertility, we were unable to find needed proof in the review of SB 1183 that coverage of infertility benefits would be cost effective.