

2021 survey on

fertility benefits

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Introduction

For many years, there was no discernible upward trend in coverage for infertility treatment in employer health plans. Throughout the 2000s and early 2010s, Mercer's National Survey of Employer-Sponsored Health Plans consistently found that fewer than a fourth of large employers (those with 500 or more employees) covered in vitro fertilization (IVF), one of the most important fertility services. While the biggest employers –

those with 20,000 or more employees – were somewhat more likely to provide these coverages, again, there was little growth over time. Given the ongoing challenge of managing rising health benefit costs, the majority of employers, it seemed, were reluctant to assume the direct cost of coverage and the added risk for high-cost claims from multiple births.

But that is changing. Over the past five years we've begun to see a new focus on fertility benefits of all kinds among the largest employers – driven by improvements in treatment protocols, shifts in workforce demographics, a sharper focus on inclusivity, and a broader definition of what constitutes health and well-being. Since the largest employers are often trendsetters, it seems likely they are the leading edge of a broader movement – especially since the vast majority of survey respondents – 97% – say that adding infertility coverage did not result in a significant increase in medical plan cost.

There is also increasing activity by state and federal governments to improve access to infertility treatment. In the past four years, four states have passed laws to provide coverage, bringing the total number of states with infertility insurance laws to 19. At the federal level four years ago, Congress authorized the

Veterans Administration to offer IVF care to wounded veterans, and several legislative proposals have been introduced to cover infertility services through government-sponsored health plans as well as commercial insurance.

Defining infertility

In 2017, the American Medical Association recognized infertility as a disease, years after the World Health Organization classified infertility as a disease in 2009. Infertility is defined as the inability to achieve pregnancy after one year of regular, unprotected sexual intercourse, unless medical history, age, or physical findings dictate earlier evaluation and treatment.

According to the Centers for Disease Control and Prevention, one in eight women of childbearing age have difficulty conceiving or carrying a

pregnancy to term. However, this estimate does not account for LGBTQ+ or single individuals who may also need fertility treatments to build their families but do not meet this heteronormative definition of infertility.

RESOLVE: The National Infertility Association developed and vetted the following inclusive definition of infertility, used in its model legislation and model benefits for employers:

"Infertility" means a disease, condition or status characterized by:

- the failure to establish a pregnancy or to carry a pregnancy to live birth after regular, unprotected sexual intercourse, or
- a person's inability to reproduce either as a single individual or with their partner without medical intervention, or
- a licensed physician's findings based on a patient's medical, sexual and reproductive history, age, physical findings and/or diagnostic testing.



About the survey

The Survey on Fertility Benefits was sent as a follow-up to participants in Mercer's *National Survey of Employer-Sponsored Health Plans* to collect more detailed information about fertility benefits. In the *National Survey*, which was conducted in the summer of 2020, employers were asked one question about the types of infertility treatment covered under their most prevalent plan. Their responses to that question were included in the follow-up survey. Respondents were asked to confirm or update their earlier response. Based on their answer to that question, respondents were given one of two sets of questions; one designed for employers that cover infertility treatment (or at least an evaluation by a reproductive endocrinologist or infertility specialist) and one designed for employers that do not provide any coverage.

The survey was fielded in February 2021. To reduce the risk of non-response bias, the invitation did not specify the topic of the survey. Overall, 459 employers responded. Just over half of the respondents – 254 employers – provide some level of coverage; 205 respondents do not provide any coverage.

The Survey on Fertility Benefits was commissioned by RESOLVE: The National Infertility Association. It is the second such survey commissioned by RESOLVE. The first was conducted in 2006, and one of the goals of this current study is to assess how employer offerings and attitudes have changed since that time.

Prevalence of coverage

For estimates of the prevalence of infertility coverage in the US, we draw on results from Mercer's National Survey, which are weighted to represent all US employer health plan sponsors with 50 or more employees. The rest of the report is based on results collected through the follow-up survey.

According to Mercer's National Survey of Employer-Sponsored Health Plans, whether or not an employer covers infertility coverage is strongly related to their size. About a third (32%) of small employers, those with 50-499 employees, cover some type of infertility service, compared with 61% of large employers, those with 500 or more employees.

Even when employers provide some fertility benefits, in many cases coverage is limited to an evaluation by an infertility

specialist and does not extend to procedures to achieve a pregnancy. However, over the last five years we're beginning to see expansion in the services covered, particularly IVF. Among all large employers, the prevalence of this coverage has risen from 24% in 2015 to 27% in 2020, and even among smaller employers it has reached 14%. Importantly, among jumbo employers – those with 20,000 or more employees – coverage for IVF is approaching the halfway point, rising from 36% to 42%.

Coverage of fertility benefits is growing, especially among the largest employers

	Employers with 500 or more employees		Employers with 20,000 or more employees	
	2015	2020	2015	2020
Evaluation by a reproductive endocrinologist or infertility specialist	54%	58%	70%	73%
Drug therapy	32%	33%	44%	53%
In vivo fertilization (intrauterine insemination)	23%	28%	34%	38%
In vitro fertilization	24%	27%	36%	42%
Egg freezing	5%	11%	6%	19%
No coverage provided	40%	39%	23%	23%

Source: Mercer National Survey of Employer-Sponsored Health Plans

Jumbo employers are also out in front in providing coverage for elective egg freezing: In 2020, nearly a fifth (19%) provide this coverage, up from just 6% five years earlier, in 2015. The prevalence of this benefit also varies by industry. For example, among all employers with 500 or more employees, 11% cover egg freezing. Among respondents of this size in high-tech industries, however, 27% cover egg freezing, perhaps in an effort to improve attraction and retention of female employees.

Of the 459 employers responding to the follow-up survey on fertility benefits, 55% offer some level of coverage and 45% don't offer any coverage. Not surprisingly, large employers are more strongly represented in the group that offers coverage (80% have 500 or more employees) than in the group that doesn't (64% have 500 or more employees).

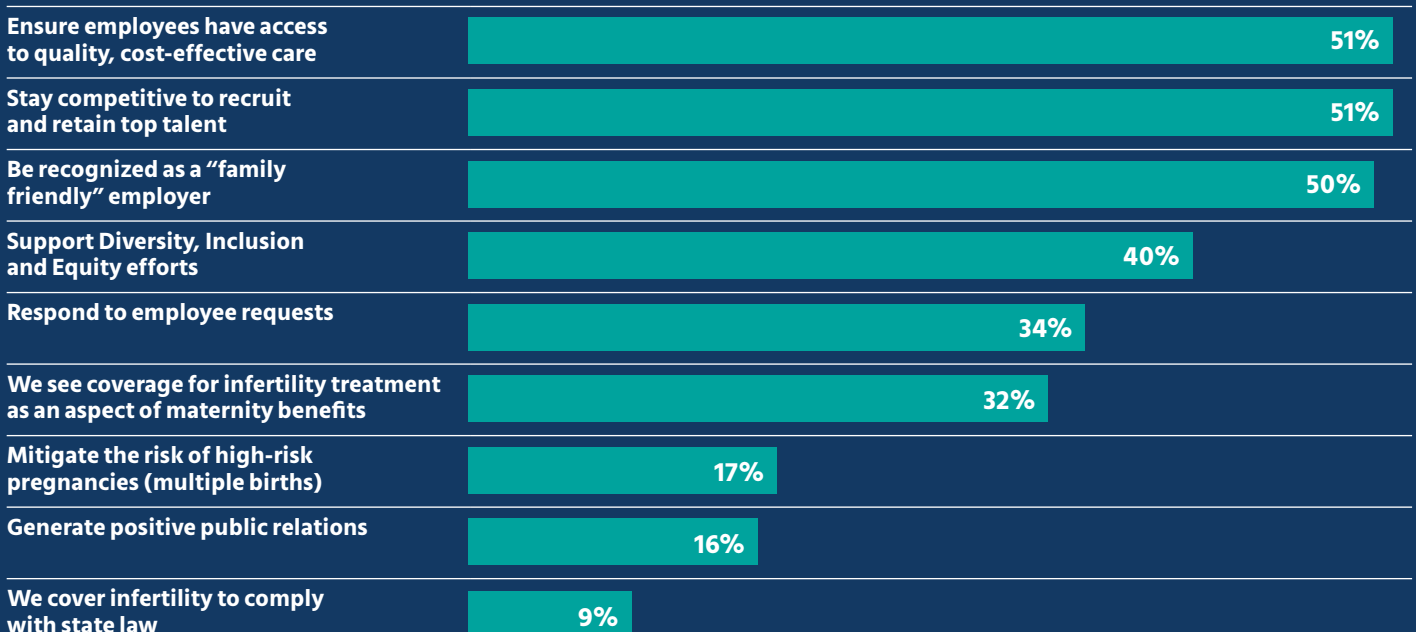
Employers providing infertility coverage

Results are based on 254 respondents that cover an evaluation with a reproductive endocrinologist and/or various fertility treatments. About three-fourths (74%) of these respondents provide coverage for some form of treatment beyond an evaluation.

The three reasons for covering infertility treatment cited by the most respondents (about 50% for each) were to “ensure employees have access to quality, cost-effective care,” “stay competitive to recruit and retain top talent,” and “be recognized as a “family friendly” employer”. Interestingly, these were also the top three reasons cited for offering coverage by respondents to the 2006 survey. However, 63% of respondents in 2006 said they provided infertility benefits “to generate positive public relations,” compared to just 16% of respondents to the current survey. This may be because infertility benefits are more common today and no longer seen as newsworthy.

On the other hand, two-fifths of respondents (40%) offer coverage to “support diversity, inclusion and equity (DEI) efforts,” a response option that was not included in the 2006 survey. This was more common among larger employers -- nearly half of employers with 5,000 or more employees have this objective, compared with 33% of those with 10-499 employees. Additionally, respondents that have added coverage within the last two years are more likely to have done so in support of DEI: 61% of respondents cited it as a primary objective, compared with 24% of respondents that have offered coverage for more than five years.

Objectives for providing fertility benefits



Outcomes achieved

Employers were also asked to what extent offering infertility benefits has helped the organization achieve a number of possible positive outcomes (whether or not the outcome was identified as an objective for offering the benefit). At the top of the list of outcomes was “ensuring access to quality, cost-effective care” – 71% report that their infertility benefits have achieved this outcome to a significant or moderate extent. Second was “satisfying employee requests,” cited by 64% of respondents.

However, for all the possible outcomes included in the question, we see a sharp contrast between employers that cover IVF and those that do not. Employers are almost twice as likely to report achieving a positive outcome if they cover IVF. For example, 81% of those covering IVF report success in satisfying employee requests, compared to just 44% of those not covering it. In terms of supporting DEI efforts, the difference is even greater: Only 27% of those not covering IVF believe that their current infertility coverage offering has helped to advance DEI goals, compared to 79% of those covering IVF.

Offering infertility coverage has helped achieve the following outcomes*

Ensuring employees have access to quality, cost-effective care	71%
Satisfying employee requests	64%
Staying competitive in attracting and retaining talent	62%
Recognition as a “family friendly” employer	59%
Supporting Diversity, Inclusion and Equity efforts	55%
Mitigating the risk of high-risk pregnancies	49%
Positive public relations	40%

*to a significant or moderate extent



Cost impact of offering infertility coverage

Employers were asked if covering infertility benefits resulted in a measurable, significant increase in medical plan cost.

Virtually all respondents said they have not experienced a significant cost increase, and this includes employers that currently cover IVF.

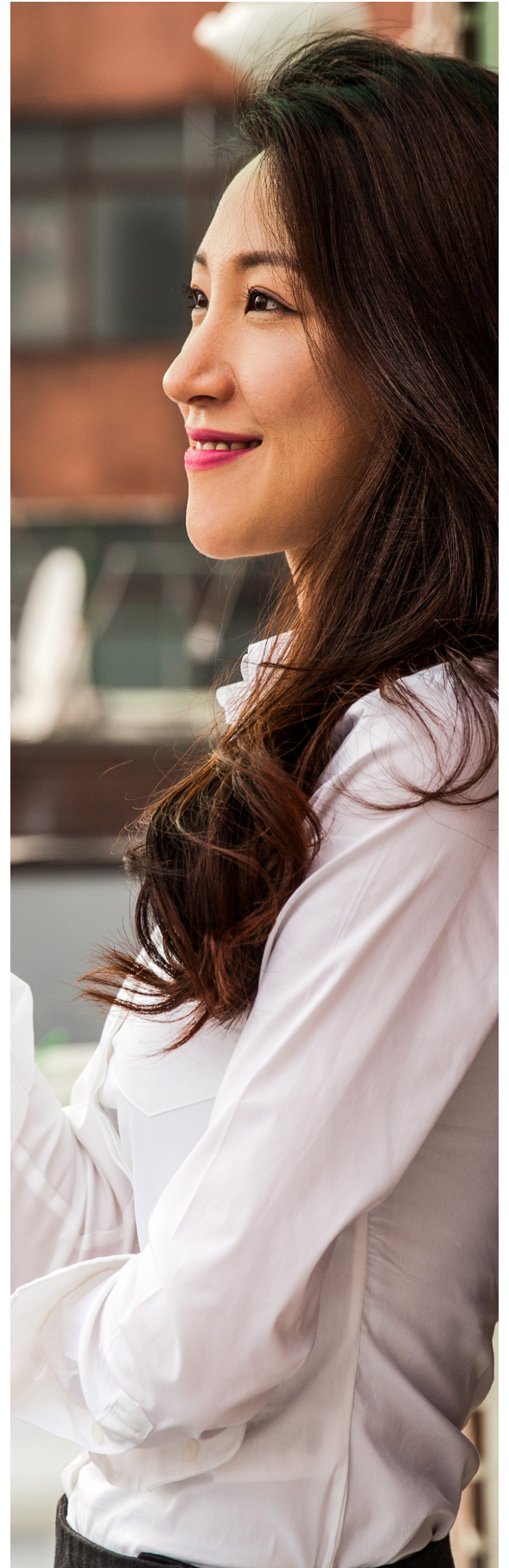
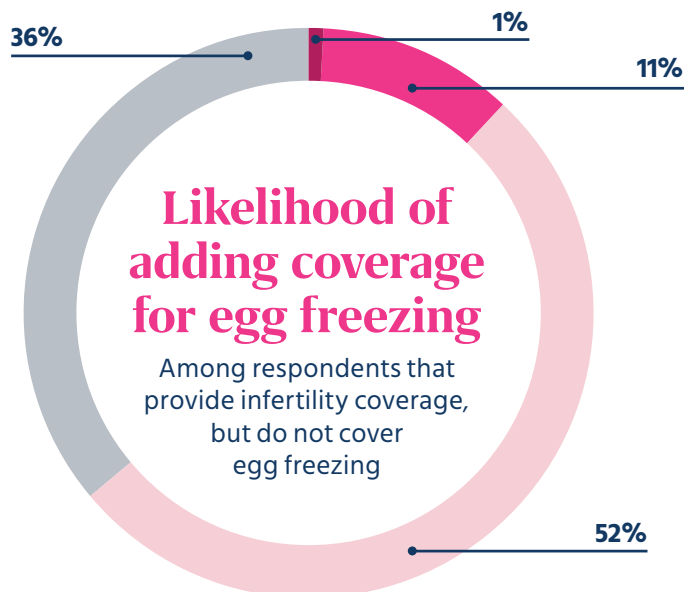
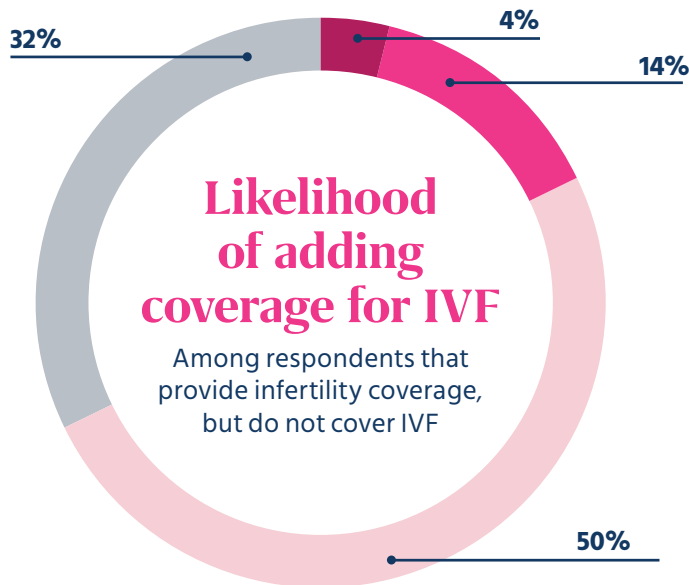
In our 2006 survey, 91% responded this way, so negative cost consequences appear to be even less of an issue now than they were 15 years ago.

Concerns about the cost of IVF coverage remain a barrier, but these survey results suggest that some employers may assume that the coverage costs more than it actually does.

Adding IVF coverage

The survey found that a substantial portion of employers are interested in expanding their fertility benefit offerings. Of the respondents that do not currently cover IVF, almost a fifth say they are likely to add this coverage in the next two years (50% say they are not likely, and the rest don't know). Of the respondents that do not currently cover egg freezing, 12% are likely to do so within the next two years. In the 2006 survey, just 5% of respondents that did not offer IVF were considering adding it, which suggests that momentum is building.

■ Very likely ■ Somewhat likely ■ Not likely ■ Don't know

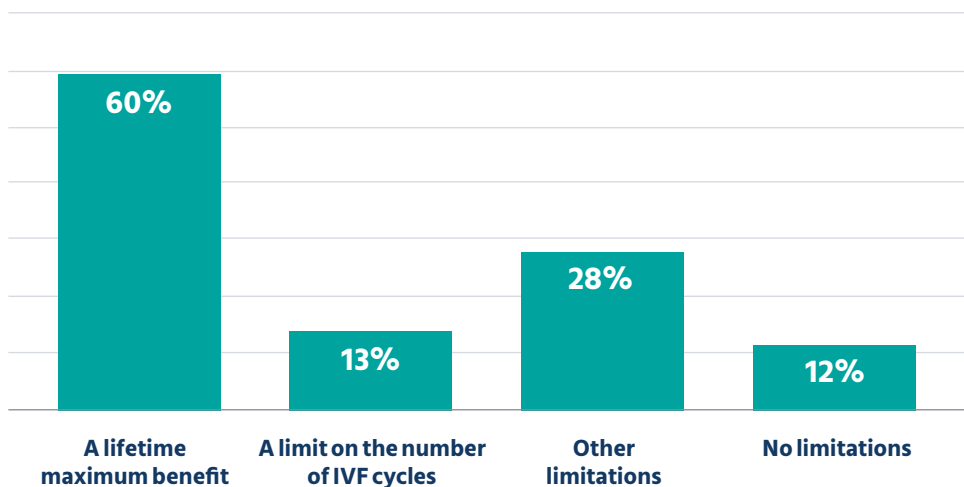


Infertility coverage limits

Most respondents (88%) place some type of limit on infertility treatment coverage. While the most common type of limitation is still a lifetime maximum dollar benefit (used by 60% of respondents), 13% now choose to place a limit on the number of IVF cycles covered, with the median number of cycles covered being three. Coverage limitations based on the number of cycles rather than a flat dollar amount is considered best practice. Multiple cycles may be needed to achieve a successful pregnancy, and if the dollar amount provided will only pay for one cycle, as is often the case with dollar limits, there's an

incentive to transfer multiple embryos in hopes of maximizing the chance of getting pregnant in just one cycle. This increases the chance of multiple births, which in turn raises health risks (and health care costs) for both the mother and the babies. Among respondents with a lifetime maximum dollar benefit, the median dollar limit is \$16,250 among all respondents (\$20,000 among those with 500 or more employees), which may or may not be enough to cover even one round of IVF, depending on the state.

Limits on infertility coverage used



Limits on infertility benefits

Median benefit maximum \$16,250

Median number of cycles covered 3

Survey on Fertility Benefits 2021

The Affordable Care Act bans dollar caps, so laws regarding infertility coverage that have passed since the ACA went into effect have not included dollar maximums. Only **three states** of the 13 that mandate coverage for IVF allow a dollar cap, which was in place prior to the ACA (this does not include Utah, which allows State Employees to use a \$4,000 adoption benefit for infertility treatment).

Over a fourth of respondents (28%) have other limitations, such as a separate maximum on drug therapy and limits on egg storage.

Use specialty vendor to provide or administer fertility services

Some respondents (12%) use a specialty vendor to administer the benefit; examples include ARC Fertility, Carrot, Kindbody, Progyny, and WIN Fertility. Others, such as Maven and Ovia, specialize in member-facing tools and resources. Overall, the specialty vendors tend to have more flexibility in the administration of the benefit compared to traditional medical carriers, provide enhanced coaching/member services, and are better equipped to navigate members to high quality resources, ultimately improving outcomes. Use of a specialty vendor is more common among larger employers: 21% of respondents with 5,000 or more employees use a specialty vendor, compared to 14% of those with 500 or more employees (and just 2% of those with 10-499 employees).

Supporting Diversity, Inclusion & Equity

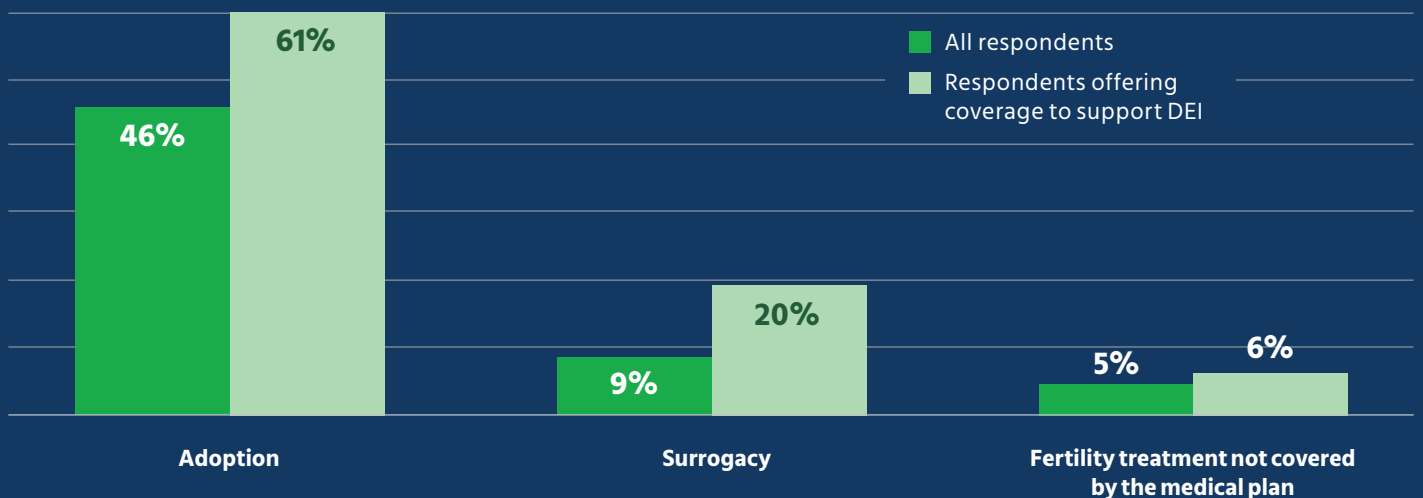
Respondents that provide coverage for IVF or IUI were asked if the benefit was specifically designed and communicated to be available to LGBTQ+ or single employees. This would mean, for example, that a clinical diagnosis of infertility based on heterosexual intercourse would not be required for coverage. Over a third (35%) of respondents say they designed the benefit to be available to LGBTQ+ and/or single employees and made that clear in the benefit communication.



Other family friendly benefits

In addition to providing coverage for infertility benefits, nearly half of respondents (46%) provide financial support for adoption and nearly one in 10 (9%) provide financial support for surrogacy. Respondents that offer infertility coverage to support DEI were much more likely to provide coverage for adoption (61%) and surrogacy (20%). Just 5% help pay for fertility treatment that is not covered by the medical plan.

Family-friendly benefits offered or being considered

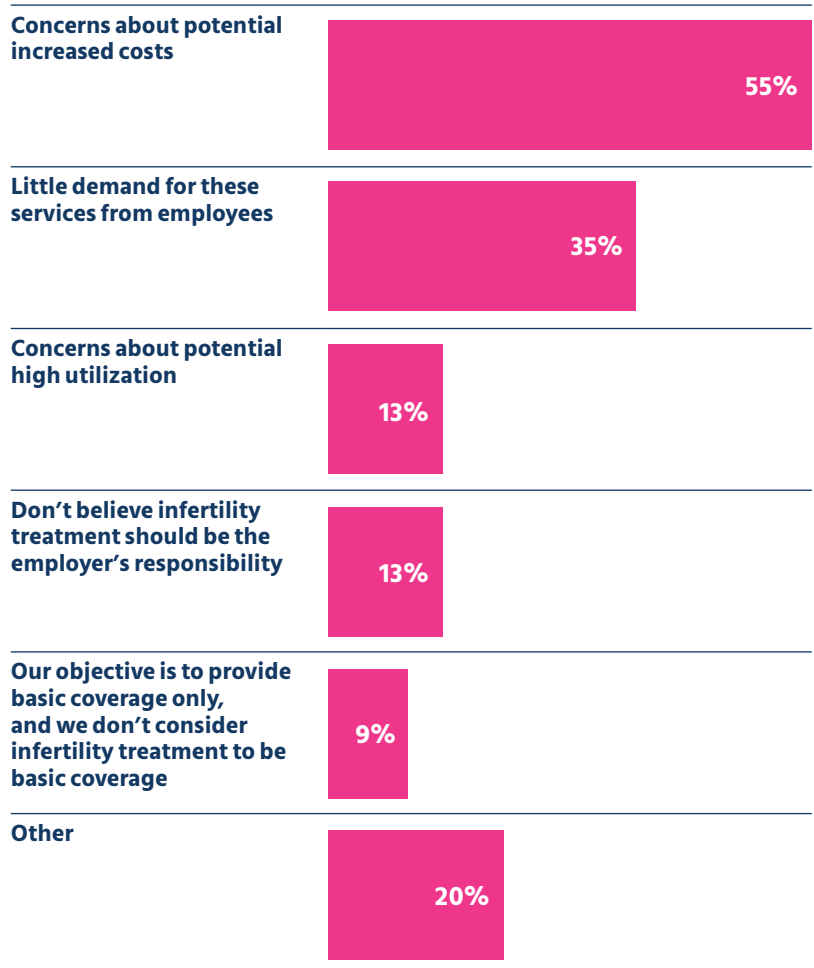


Employers that do not provide any infertility coverage

Results are based on 205 respondents that do not cover an evaluation with a reproductive endocrinologist or any fertility treatments.

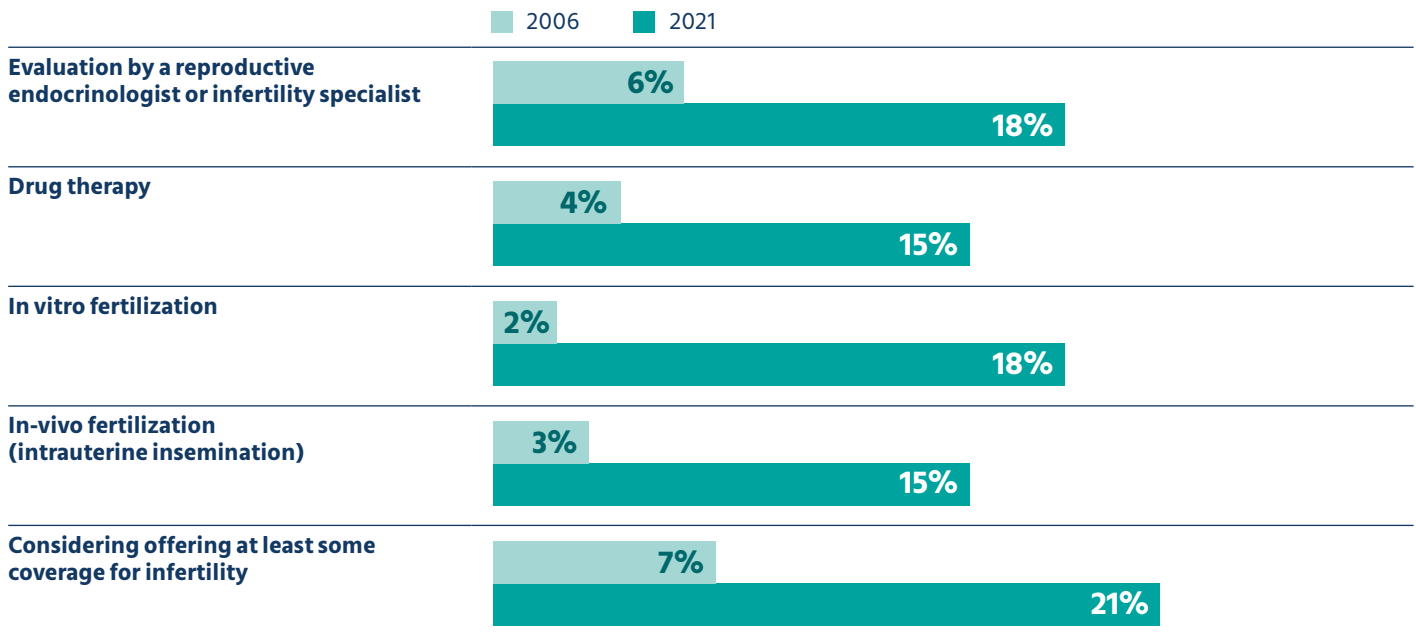
The reason most commonly given by survey respondents for not providing infertility coverage is cost. Over half (55 percent) do not offer coverage because of “concerns about potential increased costs.” Larger employers are more likely to cite cost as a barrier than smaller employers: 60% of those with 500 or more employees, compared with 47% of those with 10-499 employees. About a third (35%) say there is “little demand for these services from employees” and 13% are “concerned about potential high utilization.” Some employers don’t believe infertility benefits should be the employer’s responsibility (13 percent) or are only willing to provide basic coverage and they don’t believe infertility treatment to be basic coverage (9%). A handful of respondents don’t offer coverage for religious reasons. As one respondent put it, “we are a faith-based organization and fertility benefits go against our ethical and religious directives.”

It is interesting that while over a third of respondents reported little demand for infertility services, when asked about any issues created by the lack of infertility coverage, 28% of all respondents and 37% of those respondents with 500 or more employees say that employees have requested it. This was the primary downside seen by respondents; only a few reported problems with recruitment and retention or public relations stemming from the lack of coverage, and just 3% have experienced increased cost due to high-risk pregnancies.



Likelihood of adding infertility coverage

In our 2006 survey, only 7% of the respondents not offering any infertility coverage said they were at least considering it. In the current survey, while very few small employers are considering adding it, about a fifth of the large employers are – with 18% considering offering IVF and 15% considering IUI.



Based on respondents with 500 or more employees

Nearly half of respondents (47%) said that if they knew the cost of covering infertility treatment would be offset by savings from eliminating other medical plan costs, such as multiple births, they would be more likely to provide coverage. Without insurance covering fertility treatments, employees paying out of pocket for these procedures typically try to maximize the chance of pregnancy by transferring multiple embryos, which can lead to multiple births and time spent in a neonatal intensive care unit – expenses that would be covered by the employer's plan.

Nearly half of respondents would be more likely to provide fertility coverage if they knew the cost would be offset by lower costs for multiple births.

Other family-friendly benefits offered

Nearly a quarter of respondents (24%) have considered providing financial support outside the medical plan for adoption. Just 3% considered providing support for surrogacy and 2% for fertility treatment not covered by the medical plan.

Conclusion

It's exciting to see more employers responding to the requests of their employees and recognizing the importance of fertility benefits as part of a comprehensive program that seeks to support all aspects of employee health and well-being. Certainly, employers are looking to distinguish themselves with more family-friendly and inclusive benefit offerings. The birth rate among women over 40 has been increasing as more working women delay having children, and fertility benefits have been shown to influence their employment decisions. When coverage is not restricted to women and men in a heterosexual relationship, these benefits can also make an organization more attractive to LGBTQ+ employees.

Employers that don't offer fertility coverage should be advised: A 2020 analysis of National Survey data found that the average turnover rate in 2020 for large employers offering IVF was 18%, compared to 22% among employers not covering IVF. Of course, many employers that offer IVF coverage offer more generous benefits in general, so it's likely not the only reason for lower turnover. But there is no doubt whatsoever that access to comprehensive fertility coverage is highly valued by those who need it. And the good news for employers considering adding or enhancing their fertility benefits is that 97% of survey respondents did so without experiencing any significant increase in medical plan cost.

