

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL                       UPDATED  
 CORRECTED                       SUPPLEMENTAL

**LRB # LRB-1376/1**

**INTRODUCTION # AB 565**

Admin. Rule #

**Subject**  
Requires insurance coverage of the diagnosis and treatment of infertility.

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No

- Increase Existing Appropriation                       Increase Existing Revenues  
 Decrease Existing Appropriation                       Decrease Existing Revenues  
 Create New Appropriation

Decrease Costs

Local:  No local government costs

1.  Increase Costs  
      Permissive       Mandatory  
 2.  Decrease Costs  
      Permissive       Mandatory

3.  Increase Revenues  
      Permissive       Mandatory  
 4.  Decrease Revenues  
      Permissive       Mandatory

5. Types of Local Governmental Units Affected:  
 Towns       Villages       Cities  
 Counties       Others \_\_\_\_\_  
 School Districts       WTCS Districts

**Fund Sources Affected**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate:**

AB 565 requires all health insurance plans offered by the state to its employes to provide coverage for any non-experimental treatment as defined for the diagnosis and treatment of infertility. Coverage would be provided with no deductible or co-payments.

We estimate that this benefit will add between \$3.7 and \$6.7 million dollars to the total cost of the state health insurance premiums. This is based on a cost of \$2.08 to \$3.75 per member per month for 150,000 members under the active employe coverage in the state plan. The state pays approximately 96% of the total health premium, resulting in a cost to the state of \$3.6 to \$6.5 million per year in 1999 dollars.

Infertility coverage is not provided under the state plan. Therefore, the estimates are based on information supplied by the Department's consulting actuary, not on actual claims experience under the state plans.

The estimate assumes that: (1) the In-vitro, GIFT, and ZIFT procedures required by the bill will be between two and three cases per thousand members per year; (2) the average cost per course of treatment is \$10,000; and (3) the average number of procedures per course of treatment per year is one. The estimate also assumes that the plans will most likely experience additional pregnancy and delivery expenses which comprise between approximately \$.7 and \$2.2 million of the above costs. This is because infertility procedures lead to a much higher incidence of multiple births, which can lead to a higher incidence and associated cost of premature infants.

We also note that the estimate assumes that language of the current bill provides relatively open access to current technology and makes no estimate of costs associated with future technology that may become non-experimental.

**Long-Range Fiscal Implications:**

On-going.

**Prepared By: / Phone # / Agency Name**

Pamela Henning 267-2929  
Department of Employee Trust Funds

**Authorized Signature / Telephone No.**

*David Hinrichs*

**Date**

11/3/99

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

1999 Session

- ORIGINAL       UPDATED  
 CORRECTED     SUPPLEMENTAL

**LRB # - 1376/1**

Admin. Rule #

**INTRODUCTION # AB 565**

**Subject**  
**Requiring insurance coverage of the diagnosis and treatment of infertility.**

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

**II. Annualized Costs:**

Annualized Fiscal impact on State funds from:

**A. State Costs by Category**

Increased Costs

Decreased Costs

State Operations - Salaries and Fringes

\$

\$ -

(FTE Position Changes)

( FTE)

(- FTE)

State Operations - Other Costs

\$3.6 - \$6.5 million

-

Local Assistance

-

Aids to Individuals or Organizations

-

TOTAL State Costs by Category

\$ 3.6 - 6.5 million

\$ -

**B. State Costs by Source of Funds**

Increased Costs

Decreased Costs

GPR

\$ 1.6 - 2.9 million

\$ -

FED

-

PRO/PRS

\$ 2.0 - 3.6 million

-

SEG/SEG-S

-

**State Revenues** Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)

Increased Rev.

Decreased Rev.

GPR Taxes

\$

\$ -

GPR Earned

-

FED

-

PRO/PRS

-

SEG/SEG-S

-

TOTAL State Revenues

\$

\$ -

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS

\$ 3.6 - 6.5 million

\$ \_\_\_\_\_

NET CHANGE IN REVENUES

\$ \_\_\_\_\_

\$ \_\_\_\_\_

Prepared By: / Phone # / Agency Name  
 Pamela Henning 267-2929  
 Department of Employee Trust Funds

Authorized Signature/Telephone No.

*David Henrichs*

Date

11/3/99