

TESTIMONY OF SCOTT MILLER

House Bill 1146 – Expansion of Fertility Benefits Coverage

Good Afternoon, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I am here to testify in a neutral position regarding House Bill 1146.

The bill would create a section in the NDCC specifying mandatory coverage provisions for treatment of infertility. The NDPERS Health Plan already has coverage for infertility treatments, with a lifetime benefit limit of \$20,000. That amount is average for the industry for employers of the State's size that provide these benefits.

HB 1146 would require the NDPERS Health Plan to provide "richer" benefits by modifying several coverage provisions, increasing the number and types of services covered, and the proportion of claim payments covered by the plan. HB 1146 does not impose a lifetime benefit limit, and removes the current \$20,000 limit.

This bill does satisfy the statutory requirement that its mandates first apply to the NDPERS health plan before being expanded to other plans in the state.

Deloitte, our consultant, has several observations.

- This bill would serve to increase plan payments for fertility health resulting in expanded coverage for these services. Infertility treatments can be expensive and design changes will have an actuarial impact on the program.
- Deloitte developed an actuarial model incorporating benefit costs for a significant array of infertility services and procedures. Using this model, Deloitte estimated a 2.1% cost increase in combined medical and pharmacy claim payments. That equates to about a \$15 million increase in claims for the biennium, which will increase premiums.
- Scope of coverage regarding third parties, as in the case of coverage of surrogates or third-party members, should be clarified.

Related to that scope of coverage point, if we allow non-employees onto our health plan as the primary covered individual, our health plan may be in danger of losing its status as a "governmental plan". If that were to happen, we may become subject to significant ERISA regulations.