Regence
200 SW Market Street, 11th Floor
Portland, OR 97201

Testimony on HB 2959: Oregon Fertility Mandate

February 11, 2025

Chair Nosse and Members of the Committee,

My name is Mary Anne Cooper, and I am the Oregon Director of Public Affairs and Government Relations at Cambia Health Solutions, which operates Regence BlueCross BlueShield of Oregon. While we understand the positive intentions behind HB 2959, I am here today to express concerns with technical aspects of the bill, which would create a coverage mandate for fertility treatment and conception assistance in Oregon.

As one of the state's largest health insurers, Regence is committed to addressing both persistent and emerging health needs for the nearly 1 million Oregonians we serve. In keeping with our values as a tax paying nonprofit, 89% of every premium dollar goes to pay our members' medical claims and expenses. Any mandate requiring coverage of costly voluntary procedures will raise the overall rate of premiums for all members and decrease members' abilities to choose the coverage that is most appropriate for their health needs.

I want to start by acknowledging that Regence is sensitive to the challenges faced by those struggling to conceive. However, this mandate differs from traditional coverage mandates, will create equity issues, and will contribute to the rising cost of health care in Oregon. Instead of focusing on the coverage mandate, we encourage the State to focus the study aspect of this bill, examining rate impacts, plan design, and health equity before moving forward with this legislation. .

The way this bill is structured also raises significant equity issues. As you may be aware, the state can mandate insurance coverage for

only fully insured plans. The state cannot mandate coverage for self-insured plans, which cover nearly 60% of those with commercial insurance. Most notably, as drafted, the bill does not mandate coverage for those on the Oregon Health Plan, even though the state can include OHP in their coverage mandates. OHP covers more than 30% of Oregonians. This means that the current bill would result in coverage for about 20% of Oregonians at significant premium increases for those Oregonians. Further, the exclusion of the OHP would not help those who can least afford fertility treatments. This approach to covering fertility treatment does not align with the state's health equity goals and seems designed to pass along costs to those who are privately insured that the state is not willing to bear for those who are publicly insured.

Additionally, this mandate has the potential to be one of the mostly costly in Oregon history. We estimate the costs of the base bill to be $14M - $23M in additional cost to our fully insured plans, not including the maternity and delivery costs. As a non-profit health insurer, those costs will be directly passed onto members in the form of higher premium rates. If the state opts to move forward with PEBB-like coverage, it would still be one of the most expensive mandates in Oregon history. While that cost may seem small in isolation, when paired with the costs of the other mandate bills moving forward this session and the skyrocketing costs of healthcare, this bill is proposing to significantly increase insurance rates at a time when members can least afford it and while State legislation has determined the cost growth of insurance rates need to be capped at 3.4% annually

Further, when the state puts forward a mandate like fertility coverage, that means all employers must put it into their plans, whether their employees want it or not. The increased costs associated with this mandate may result in higher co-pays and deductibles, more

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excluded services or medicines, or other changes in policies to accommodate this mandate that could have negative effects on those policy holders.

Finally, we believe some elements of the bill are unclear and could lead to unintended interpretations that could increase overall costs for members. For example, the bill requires unspecified coverage for surrogacy. However, insurance only covers the insured life, and cannot be used for anyone other than the insured. To that end, the state cannot mandate coverage for a surrogate who may not be insured by the same company, and who is not listed on the policy.

Additionally, the requirement of storage of reproductive specimens for the appropriate time deemed medically necessary is unclear. The length of "appropriate time" has potential to leave health plans on the hook for unused specimens indefinitely.

The language about the unlimited embryo transfers requirement is also unclear. Will the transfers apply to only embryos produced from the covered six retrievals or any embryos created from the enrollee in their lifetime?

We understand and support the goals of this legislation. However, for the state to impose such a high-cost mandate at a time when skyrocketing healthcare costs are already making premiums unaffordable for Oregonians is unwise. And to do it in a manner that excludes low-income Oregonians from the mandate is poor public policy.

We have significant concerns about HB 2959 both as drafted and if amended to align with the PEBB benefit. We urge the state to undertake a more thoughtful and collaborative discussion before moving a fertility policy forward and encourage the state to follow Washington in undertaking a comprehensive study, including looking

at rate effects and mandate design, before moving forward with a coverage mandate.

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