



Family-Building Programs: An Inclusive Health Benefits Strategy

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Growing concern about social equity; a heightened commitment to diversity, equity and inclusion (DEI); and an increasingly competitive labor market are propelling many employers to reevaluate their workplace practices, including the benefits they offer to their employees. A foundational step is evaluating whether benefits are adequately inclusive and meet the needs of all employees.

Through this process, employers can identify unintended exclusions and reveal opportunities to design benefit offerings that are more likely to support all employees. When evaluating benefit plans through a DEI lens, the impact of family-building benefit limitations often becomes more apparent.

Evaluating Whether Benefits Are Inclusive

When assessing whether benefit offerings are inclusive, we urge plan sponsors to ask five key questions:

1. What assumptions underlie the plan design?
2. Are the benefits aligned with the employer's commitment to DEI?
3. Who uses the benefits, and might any employees feel excluded from the offerings?
4. Do the benefits match employees' current and emerging needs?
5. What benefit plan changes would better support the health and success of all employees?

As employers review health insurance offerings, they are likely to discover that their plans meet the needs of healthy,

white, heterosexual, able-bodied and economically secure employees, but may fail to consider the needs of other populations. Those with chronic diseases may face barriers when trying to access nongeneric prescription drugs. People of color are often challenged to find diverse health care providers. Transgender employees may have difficulty accessing coverage for hormone therapy, surgery coverage or counseling. People with disabilities may find hearing aids or prosthetic devices to be unaffordable. Lower income employees may be denied access to health care because insurance premiums or copayments are too expensive.

AT A GLANCE

- Many employer-sponsored benefit plans exclude family-building care, which is most likely to negatively affect Millennial employees, those with past serious health conditions, single people and LGBTQ+ employees. A comprehensive, family-building benefits package that includes a managed fertility benefit can reduce an employer's health care costs and improve outcomes.
- Plan sponsors may consider including family-building benefits as a part of a larger family-friendly benefits strategy that demonstrates an organization's commitment to supporting the life goals and health needs of all employees. These benefits address the needs of an evolving workforce and are less costly than many plan sponsors imagine.

Prospective parents can also feel excluded from traditional benefit offerings. That is because many employer-sponsored benefit plans exclude family-building care, such as in vitro fertilization (IVF), fertility preservation and egg freezing, gestational surrogacy and adoption support. These exclusions are most likely to affect Millennial employees, who are waiting longer than previous generations to start families;¹ those with past serious health conditions; single people; and LGBTQ+ employees.

While these exclusions may be based on a belief that family-building coverage is costly and not medically necessary, excluding family-building benefits can actually lead to higher benefit costs while also limiting employers' ability to attract and retain quality talent. Moreover, employers that exclude these benefits should consult with legal counsel to determine whether applicable federal and state civil rights and employee benefit laws require coverage.²

Factors Driving the Need for Family-Building Benefits

There are many reasons couples and individuals may need help building a family. They include:

- Female or male infertility
- A desire for fertility preservation due to medical issues or delayed childbirth
- Assistance for same-sex couples or single individuals
- The need for a sperm or egg donor, gestational carrier/surrogate or adoption support.

Between 12% and 15% of couples are unable to conceive after trying for one year.³ A 2018 Pew Research Cen-

ter study found that one-third of U.S. adults report that they or someone they know has used some type of fertility treatment to have a baby.⁴ A Family Equality 2019 survey on family building found that nearly two-thirds of LGBTQ+ Millennials age 25–40 are considering expanding their families by becoming first-time parents or having more children. Most survey respondents said they were looking to foster care, adoption and assisted reproductive technology to grow their families.⁵

Costs Associated With Family-Building Benefits

Fertility treatment costs vary widely depending on the type of treatment or service (Table). In fall 2021, the Advanced Fertility Center of Chicago website reported costs at its clinic ranging from \$70 for semen analysis to \$10,000 for an IVF cycle.⁶ When donor eggs are required, IVF costs average \$28,000 per cycle.⁷ According to FertilityIQ, a fertility education and assessment site, the average patient undergoes two to three IVF cycles, which requires spending nearly \$50,000 on the treatments.⁸ For couples or individuals pursuing gestational surrogacy, the costs can exceed \$150,000. For those pursuing adoption, costs typically range from \$20,000 to \$45,000 for a private agency adoption, according to the Child Welfare Information Gateway.⁹

Health plan coverage for fertility treatments is often limited and can vary considerably based on geographic location and type of insurance plan. As of April 2021, 19 states had passed infertility coverage laws. Thirteen include coverage for IVF, and 11 states cover services

related to medically induced infertility.¹⁰ While self-insured plans are generally exempt from state mandates, they often offer some coverage for fertility services, typically with limits on the number of treatment cycles they will cover. Fertility treatments can be prohibitively expensive when employees have to cover the costs on their own.

Even when fertility coverage is available, inequities may exist. Black and Hispanic women report barriers within the health care system preventing them from receiving counseling related to fertility treatment.¹¹ Same-sex couples and LGBTQ+ individuals face unique challenges on their journey to parenthood.¹² Plans may limit coverage to “medically necessary” testing and treatment of infertility, and women without a male partner may find it more difficult to satisfy carrier definitions of *infertility* than heterosexual couples would.¹³ However, a recent class action lawsuit filed in the Southern District of New York alleges that different definitions of *medical necessity* for women without a male partner may violate federal law.¹⁴

Prevalence of Employer Coverage

The International Foundation of Employee Benefit Plans reports that 30% of the employers it surveyed offer fertility benefits and 16% offer financial assistance for adoption.

Among employer-sponsored plans offering fertility benefits, the forms of coverage vary widely, with 75% of plans covering drug therapy and 74% covering IVF treatments but only 31% offering egg harvesting and freezing services. Thirty-seven percent of plans cover non-IVF

TABLE

Fertility Treatment Costs

Fertility Treatment	National Average Cost
Semen analysis, sperm test	\$50-\$300
Fertility-related blood tests	\$200-\$400
Intrauterine insemination cost	\$300-\$1,000
Injectable fertility drugs for a donor egg cycle	\$2,300
Injectable fertility medications for one in vitro fertilization (IVF) cycle	\$3,500
Fertility preservation, egg-freezing cycle	\$7,500
IVF cycle	\$11,500
IVF cycle with donor eggs (including agency, donor and legal fees)	\$28,000

Source: Advanced Fertility Center of Chicago “Cost of Fertility Treatment for Women and Men: National averages, ranges - and our prices.” <https://advancedfertility.com/fertility-treatment/affording-care/fertility-treatment-costs/>.

fertility treatments, genetic testing, non-IVF treatment, and genetic and surrogacy counseling.

Why Not Offering Family-Building Benefits Often Leads to Higher Costs and Poorer Outcomes

A comprehensive, family-building benefits package that includes a managed fertility benefit can reduce an employer’s health care costs and improve outcomes. With an unmanaged benefit, cost-based treatment decisions can lead to poor outcomes. Individuals may opt for lower cost, less effective treatments with a higher chance of producing multiple, high-risk births.

For example, prospective parents who self-pay for IVF may opt to transfer multiple embryos to improve their chances of pregnancy. As a result, they are more likely to experience multibirth pregnancies that require costly, high-risk prenatal care and lead to increased C-section rates, neonatal intensive care unit (NICU) admissions and premature birth with long-term health consequences. The March of Dimes reports that more than half of twins and nearly all triplets and other higher order multiples are born prematurely.¹⁵ Average medical costs for preterm infants (less than 37 weeks) are 20 times higher than for full-term infants, and average spending on care for low-birthweight babies is more than 30 times higher.¹⁶

A clinically managed fertility benefit can reduce health care costs and support the use of effective and efficient treatments. A managed program connects individuals with clinical experts who can recommend personalized and appropriate care and treatment options. Clinical oversight leads to safer pregnancies, fewer C-sections and preterm births, and lower NICU costs. Research also shows that employees with access to infertility benefits can incur lower health care costs than those without such benefits.¹⁷

Designing an Inclusive Benefits Program

An inclusive benefits approach with successful outcomes depends on good program design. To address the needs of an evolving workforce, employers may want to consider including a managed fertility benefit with clinical advocacy, fertility preservation, gestational surrogacy and adoption. To meet diverse individual needs, organizations are considering how to provide maximum coverage for services in a manner consistent with employee benefits laws.


Digital health options can further enhance benefits by offering employees access to video consultations, fertility-tracking wearables and other technology-enabled care. Emotional support and behavioral counseling can also help the intended parents work through complex choices and manage the associated stress.¹⁸

Making Family-Building Benefits Part of a Larger Family-Friendly Benefits Strategy

As employers recognize the importance of enhancing their programs to foster a more diverse, equitable and inclusive culture, the number of organizations offering family-building benefits continues to grow. The *2021 FertilityIQ Workplace Index* reported an 8% increase in the number of large employers that now offer fertility, adoption and foster care support.¹⁹ While technology, financial services and consulting firms continue to lead the way in offering comprehensive coverage, other industries such as retail, consumer packaged goods, industrial production and health care services are also expanding their family-building benefits.

Family-building benefits—along with scheduling flexibility, maternal health programs, generous parental and caregiving leave, and child-care support—benefit both employees and employers. While employees value the financial and emotional support offered, employers may benefit from more loyal and less distracted workers as well as from better managed, cost-efficient care.

Family-building benefits demonstrate an organization's commitment to supporting the life goals and health needs of all employees. Importantly, these benefits may be less costly than many plan sponsors imagine.

Family-friendly benefits are just one example of how reviewing benefits through a DEI lens can identify unintentional exclusions and position employers to provide more inclusive benefit offerings. 

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