

Fertility Benefits on the Rise

The market for employer-provided fertility benefits is entering a period of expansion, driven largely by regulatory guidance and strong evidence that these benefits are important for employee attraction and retention. With infertility being recognized as a disease by the World Health Organization (WHO) and the American Medical Association (AMA) since 2017 and affecting 1 in 6 people globally, employers are increasingly considering fertility coverage as a critical component of their benefits package. According to the Maven Clinic's 2025 State of Women's and Family Health Benefits report, 2 in 3 employers plan to invest in family health benefits within the next three years, a 44% increase since 2024. This surge is largely due to the positive impact family-building benefits can have on employees' mental health, performance and loyalty.

Regulatory Guidance

Regulatory developments have also played a key role in driving expansion. Increasing access to and reducing costs for infertility treatment—both for employees currently experiencing infertility and for those seeking coverage for potential future challenges—has been a stated priority of the Trump administration. In February 2025, an executive order directed agencies to develop policy recommendations to expand in vitro fertilization (IVF) access and reduce out-of-pocket and health plan costs for IVF treatment. Following that directive, in October 2025, the White House announced drug pricing reforms for fertility medications through a new government website, TrumpRx.gov (expected to be operational in 2026), and stated that the FDA will prioritize review of lower-cost fertility drugs. The announcement also cited new guidance clarifying how employers can offer stand-alone fertility benefit packages outside of traditional group health plans. Specifically, the U.S. Departments of Labor, Health and Human Services, and the Treasury jointly issued guidance clarifying how employers can offer fertility benefits using existing categories of "excepted benefits." These benefits are exempt from HIPAA's portability rules, such as special enrollment rights and nondiscrimination provisions, as well as Affordable Care Act market reforms, including annual limit bans and preventive care mandates.

The October 2025 guidance outlines three primary options for employers to offer stand-alone benefit packages outside of traditional group health plans:

1. Fertility benefits as an independent, noncoordinated excepted benefit—Employers may provide fertility benefits through a separate, fully insured policy if there is no coordination between the fertility benefit and exclusions

under any other group health plan maintained by the same employer, and the benefits are payable regardless of coverage under other plans.

2. Excepted benefit health reimbursement arrangement (EBHRA)—Employers can reimburse employees for out-of-pocket fertility expenses through an EBHRA, provided the arrangement complies with applicable regulatory requirements.
3. Employee assistance program (EAP)—Employers may offer fertility-related coaching and navigator services through an EAP that qualifies as a limited excepted benefit. To qualify, the EAP cannot be coordinated with benefits under another group health plan, cannot require employee premiums or contributions for participation, and cannot impose cost sharing.

Looking ahead, the agencies stated that they intend to propose rulemaking to provide additional ways for certain fertility benefits to be offered as a limited excepted benefit. They are also considering changes to the standards for supplemental health insurance coverage, including a supplemental benefit for fertility coverage, so that these arrangements can more easily meet the conditions for excepted benefit status.

At the same time, state-level mandates continue to expand. California recently joined more than 20 other states with fertility benefit mandates. Under the California law, large group health plans (generally those that cover over 100 people) must cover fertility services, including IVF. Although originally scheduled to take effect on July 1, 2025, implementation was delayed and will now apply to plans issued, amended or

renewed on or after Jan. 1, 2026. While small group plans will not be required to cover such services, they are required to offer such coverage as of Jan. 1, 2026.

Employer Takeaway

As fertility benefits gain traction through both federal initiatives and expanding state mandates, employers have an opportunity to lead in offering inclusive, family-friendly benefits. Cost sharing and coverage gaps, particularly for self-funded plans not subject to state mandates, remain a barrier to access. A single IVF cycle can exceed \$30,000, with typical costs ranging from \$12,000 to \$25,000 per cycle—and multiple cycles are often required to achieve pregnancy, creating a substantial financial strain. In 2026, employers should assess whether their current health plans meet applicable state mandates, particularly in states like California, where new requirements will soon take effect. Employers with self-funded plans that are not subject to state mandates should consider voluntary coverage or supplemental benefits to remain competitive. Monitoring forthcoming federal rulemaking on excepted benefits and supplemental coverage can help identify cost-effective strategies for offering fertility benefits outside traditional group health plans. Additionally, budgeting for high-cost treatments (such as IVF) and exploring reimbursement arrangements or partnerships with fertility care platforms can help mitigate employee out-of-pocket expenses. Overall, clear communication about available benefits and support services reinforces an employer's commitment to family-building and employee well-being, strengthening attraction, retention and productivity.