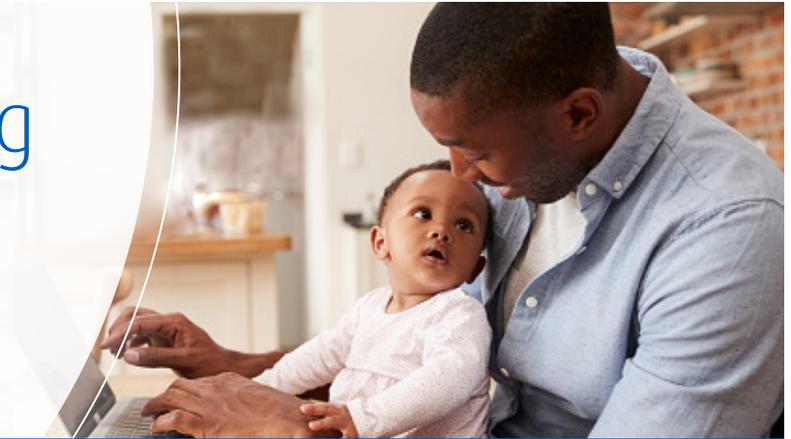


Why financial planning is a crucial part of family planning



Having a child is one of the most important—and deeply personal—decisions one can ever have. Pregnancy can provoke a range of emotions, including an indescribable sense of excitement and possibility. But for some, pregnancy can be an extremely challenging process. Many women have difficulty getting pregnant. Furthermore, traditional routes to pregnancy may not be an option for some same-sex couples and single people.

Thankfully, scientific breakthroughs have led to infertility treatments, including intrauterine insemination (IUI), in vitro fertilization (IVF), and gestational surrogacy. Regardless of whether a person or couple is dealing with infertility, foster care and adoption also remain viable options for becoming a parent as well.

There are many considerations to take into account when deciding whether and how to become a parent, including health and emotions. Financial considerations should definitely be part of this list as well. Raising a child is an expensive proposition in any situation, and each of the methods described above involve significant additional costs. That is why it's crucial that financial planning is part of your family planning. In addition to understanding the costs of infertility treatments or adopting a child, it's important to fully understand how your health insurance coverage and other benefits may apply to your decision.

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Common infertility treatments and their costs

About 10 percent of women in the United States ages 15–44 will face issues related to infertility, according to the Centers for Disease Control and Prevention (CDC). The CDC defines infertility as being unable to get pregnant after one year of trying, or after six months if the woman is 35 years or older, as well as women who can get pregnant but are unable to stay pregnant.

There are several forms of infertility treatments available today. The three most common, along with foster care and adoption, are described below:

Intrauterine Insemination (IUI)

Intrauterine insemination, also known as artificial insemination, places the donor's sperm directly into the woman's uterus when she's ovulating. The procedure is performed in a doctor's office and requires no anesthesia—it's similar to a Pap smear procedure. IUI is an attractive option because of its relatively low cost, around \$1,000, and fewer side effects, but isn't recommended for women over the age of 40 or who suffer from endometriosis. IUI is generally the first method utilized by lesbian couples and single women.

In vitro Fertilization (IVF)

In vitro fertilization collects mature eggs from the woman's ovaries and then fertilizes them with the male partner's sperm in a laboratory setting. The fertilized egg or eggs are then implanted into the uterus. One IVF cycle takes about two weeks, according to the Mayo Clinic,

and it can take several IVF cycles to get pregnant, with success rates varying based upon age, the health of both the mother and male partner, as well as other environmental factors. IVF can be very expensive, especially if it takes multiple cycles. One IVF cycle in the United States costs an average of \$12,400, according to the American Society for Reproductive Medicine.

Gestational surrogacy

Surrogacy is the most expensive option among the ones reviewed in this article, with costs often exceeding \$100,000. One of its biggest appeals is that surrogacy allows a father to be genetically related to his child, making it particularly popular for gay men. The procedure involves first identifying a woman who will be the carrier of the child. While friends and relatives can be utilized, some work with an agency to identify an ideal candidate. The surrogate selected to carry the child will become pregnant with the sperm provided by the father or sperm donor, typically using IUI and in some cases IVF. The surrogate can use her own egg, or in the case of IVF, a donor egg can be used as well. Because the child will be biologically (and genetically) related to the carrier, traditional surrogacy can be especially complicated and thus requiring professional legal counsel and signed contracts.

Foster care and adoption

The infertility treatments we have discussed don't guarantee pregnancy, making foster care and adoption the only remaining option for some. While adopting a child from foster care is often funded by the state, parents generally hire an attorney to help

them through the process, which can last several years. Other types of adoptions can and usually do cost money—upwards of \$40,000–\$50,000 when working with an agency to adopt a child directly from a birthmother.

Members of the LGBTQ community may face additional hurdles as some agencies will cite “religious freedom” laws to reject adoption applications of same sex couples. Fatma Marouf and Bryn Esplin—both accomplished professors—experienced this prejudice firsthand when they were deemed ineligible to serve as foster parents for refugee children because their family structure didn't “mirror the Holy Family.” *Marouf v. Azar* is still being litigated.

Additional considerations for LGBTQ families

For members of the LGBTQ community, additional factors can further complicate matters. For example, in some states both members of a same sex couple aren't allowed to be listed on the birth certificate, even in cases where the partners are married. Furthermore, even when father/father or mother/mother are indeed named, some families elect to proceed with a second-parent adoption to further protect their rights. This can be invaluable in situations if something were to happen to the biological parent and their extended family members demand custody of the child. Also, if a couple were to ever separate, the non-biological parent may be forced to spend inordinate amounts of his or her time and money to establish custody rights.



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One family's journey to parenthood

BMO recently spoke with a family who went through both IUI and IVF treatments to understand the myriad challenges, including how to navigate the financial aspect of an already emotionally draining situation. Thankfully, through IVF, they welcomed a beautiful daughter. Now, they're moving to a different state and face a new set of challenges if they wish to have another child.

What was your experience like going through both IUI and IVF treatments? Did your insurance cover any of the treatments?

In 2016, my husband and I moved to Illinois to work for the state. The first thing we looked into was infertility coverage.

We felt a glimmer of hope in an otherwise very hopeless journey when we realized Illinois mandated infertility coverage. We started saving for this in 2014, but we still had a long way to go. After receiving a referral from my OBGYN and choosing an infertility clinic, we went through many diagnostic tests, four rounds of injectable medicated cycles of intrauterine inseminations (IUI), and ultimately one round of in vitro fertilization (IVF).

Outside of our co-pays for the office visits and medication, my IUIs were covered 100% under our insurance plan. The IVF process was different because certain aspects are covered and some aren't. However, the bulk of our IVF treatment, outside of around \$2,000 was fully covered. That doesn't account for the emotional and physical side effects that come with all of the hormonal injections.

We're happy to say that after a successful round of IVF, we welcomed our baby girl in August 2018. Regardless of your individual circumstances and preferences, the desired outcome of anyone going through IVF is the same: to have a healthy child. We firmly believe that the quality of care we received at our fertility clinic and not having the stress and burden of high medical bills due to our insurance coverage contributed to the successful outcome of our IVF treatment.

What emotional and financial factors went through your mind when you decided to move to Michigan, knowing that the state doesn't mandate insurance coverage for infertility?

We're excited to start this next chapter in Michigan, but it doesn't come without the stress and the reminder of our infertility struggle. The first thing we looked into was infertility coverage and then we called our infertility clinic to get an estimate of what an embryo transfer would cost without insurance. We were fortunate to have two embryos remaining after our last IVF cycle, which are in a long-term embryo storage facility (an expense that isn't covered).

Typically, on someone's moving checklist, you wouldn't find "call infertility clinic," but it's on ours. For us, it was important to know how much it would cost us to expand our family in the future. The answer? Around \$7,000 per embryo. That is \$14,000 that we will spend on the hope to have another child. The operative word is "hope," because the process provides no guarantees.

Emotionally, the idea of spending that amount of money in another state, knowing it was covered for in Illinois, is a hard pill to swallow. It made us stop and consider expanding our family sooner than we desired. We debated whether it would be a good idea to start the process this summer while still living in Illinois, but ultimately decided that the process was just too physically taxing to go through so soon after IVF and pregnancy.

"We were newly married, had just bought a house, and the idea of paying to get pregnant wasn't even on our radar."



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Insurance coverage for infertility treatment

Before you begin treatment, it’s paramount to fully understand what will and won’t be covered by your insurance. In the United States, no federal law mandates insurance coverage for infertility diagnosis and treatments; however, 15 states have infertility insurance coverage laws, according to the National Conference of State Legislatures.

If you have employer-sponsored health insurance, your employer is required to provide you with a Summary Plan Description (SPD) document. The SPD lists what your health insurance will cover and your legal rights. If you have further questions after reviewing the SPD, speak with your human resources department or benefits manager. You can also contact your health insurance provider directly to clarify if you have coverage for infertility and if so, to what extent. Even if your insurer covers infertility treatment, it’s important for you to understand what your out-of-pocket expenses will be, including co-pays for doctor visits and your plan’s deductible.

Organizations like RESOLVE: The National Infertility Association provide a sample letter that you can use to formally request that your employer cover infertility treatments.

Accessing other financial benefits

While health insurance coverage is certainly the biggest financial variable, you’ll also want to understand other potential benefits that you can access to defray the cost of having a child through non-traditional means. For example, employers are increasingly offering adoption assistance benefits to help employees pay to adopt a child.

Because infertility treatments can be quite expensive, you may want to consider saving pre-tax income in an employer-sponsored Flexible Spending Account (FSA). The funds can be used for health-related

expenses. But it’s important to keep in mind that your FSA is tied to your employer, so if you leave that job, you’ll lose your FSA. Moreover, FSA funds must be used by December 31 of the contribution year unless your employer offers a grace period or allows you to roll over a certain amount to the next year.

A Health Savings Account (HSA) is another potential route for you to save pre-tax money for out-of-pocket expenses if you’re enrolled in a qualified high-deductible health plan. Unlike an FSA, there isn’t an annual deadline to spend your funds and it isn’t tied to your employer.

Finally, some employers offer a Health Reimbursement Account (HRA) that reimburses employees for qualified health expenses not covered by the employer-sponsored insurance. The amount of money put into an HRA is determined by your employer and you can’t individually contribute to the account.

All of these acronyms can blur together and make it difficult to understand which option is best for you. Again, your employer’s human resources department or benefits manager can help you understand which option best aligns with your situation.

BMO is here to help

Even in ideal conditions, having a child is an incredibly demanding life event. Realizing that your dreams of having a child have been delayed is something that no one can prepare for emotionally. Give yourself the time to work through the emotions and equally, if not more important, ensure that your financial plan can support your choice of infertility treatment.

For more information about how to develop a financial plan for one of your life’s biggest decisions, contact us.



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