

Progyny Has Solid Runway for Growth, Provided Economy Cooperates

Companies: PGNY

September 28, 2023

Report Type: Initial Coverage Previously Covered Full Report Update Rating: **3.5/5**

Research Question:

How big is the addressable market for Progyny’s fertility and family-building benefits? How penetrated is the market to date?

Summary of Findings

- [Progyny Inc.](#) (PGNY) has significant room for revenue growth, as demand is building for its fertility and family-building benefits from both employees and employers, while offerings from large insurers are often limited. Its near-term outlook, however, depends in part on the economy remaining strong, according to 17 interviews with customers, providers, competitors, and other industry specialists.
- Progyny’s estimated total addressable market (TAM) for its fertility benefit services—8,000 companies with 1,000 or more employees—is considered accurate or even a little low, sources said.
- About 30% to 50% of such companies already have some type of fertility benefit in place, sources said, though some benefit plans are not nearly as robust as Progyny’s offering. One source suggested the market is even more saturated than that because fertility benefits are typically offered by tech companies vying to recruit highly skilled employees, and many of these companies offer a fertility benefit.
- Most sources expect Progyny to continue to add customers and expand services to existing customers. Whether it can meet its 2023 guidance for 37% to 39% growth generated mixed reactions. The sentiment was that goal is attainable if Progyny continues to add and expand services across the life span of women’s healthcare and family-building services, including menopause.
- Fertility services are considered a hot topic in healthcare benefits. One in three Gen Z, Millennial, and Gen X employees said they want family-building services but lack access. Employers that must compete for and retain highly skilled employees are either offering or considering adding such benefits.
- Progyny’s strengths include its early-to-market position and leadership in fertility and conception. It has high customer satisfaction levels, and service quality is generally considered high.
- Progyny’s weaknesses include a narrow service offering, with its focus primarily on fertility and fertility drugs; a lack of flexibility in its services; the challenge of quality control with independent providers and partners; and its lack of robust services outside the U.S. Many sources expect Progyny to expand service by adding partners.
- Fertility benefits is a highly competitive market, with four key companies and the major health insurers all vying for business. [Carrot Fertility](#), [WINFertility Inc.](#), [Maven Clinic Co.](#), and [Kindbody](#) are considered formidable competitors. Some additional competition for benefit dollars is coming from employee demand for enhanced cancer and diabetes care, as well as weight-loss drugs, but fertility is expected to emerge as a standard offering.

Key Quotes

“At this point, they have good visibility of their pipeline, and purchase decisions have been made by July and August. That [37% to 39%] growth is probably attainable for this year, and next year they might still grow 25% to 30%. After, it’s likely going to continue to decline.”

“I believe the market will keep growing, as fertility benefits are only starting to become a new standard. Progyny’s estimations of 75 million lives look about right.”

“I don’t know what markets Progyny is targeting now, but in IT/high-tech, they won’t get 37% to 39% growth this year. It is simply impossible.”

“Progyny will be able to keep growing. More and more people are using fertility benefits. They are growing with existing customers, and there are also more employers adding these benefits.”

“Progyny growth as their management has stated at 37% to 39% is illogical. From where will they get it?”

“We expect the market to keep growing for the next 12 to 18 months. The growth will be from both existing and new customers. Existing customers are upgrading their plans to better meet their employees’ expectations, and the new customers are coming from many industries and markets.”

“I think the growth numbers [up 37% to 39%] sound realistic.”

	Progyny Estimated TAM Accurate?	Fertility Market Penetration Level	Progyny Growth Opportunity
Progyny Customers	↑	40%+	↑
Competitor's Customers	↑	IT and high-tech saturated	→
Progyny Providers and Partners	↑	50%	↑
Competitors	↑	Many large companies already provide fertility benefits	↑
Sales Channel	→	Underpenetrated	→
Industry Specialists	↑	Room for growth	↑

Background

Blueshift Research will examine the size and level of penetration of the fertility service market and specifically the level of opportunity for Progyny Inc.

Fertility and family-building services have become a highly valued benefit by employees, according to the [Employee Benefits Survey: 2022 Results](#), conducted by the International Foundation of Employee Benefit Plans. As of last year, 40% of U.S. organizations offered fertility benefits, up from 30% in 2020. In the [State of Healthcare study](#) by Employee Benefits News, one in three Gen Z, millennial, and Gen X employees said they want family-building assistance benefits but do not have access to them.

Progyny, founded in 2008, has become the leading specialist in fertility and family-building benefits. The company has earned the business of many leading brands, including, 3M Co. (MMM), Alphabet Inc. (GOOG/GOOGL), ExxonMobil Corp. (XOM), and Microsoft Corp. (MSFT), to name a few. Progyny provides services to over 370 companies with more than 5.4 million employees and targets self-insured employers with 1,000 or more employees. Progyny estimates that there are over 8,000 such employers, and it currently does business with less than 5%, leading management to think they have significant opportunity ahead.

The market for fertility and family-building services is trending positively for Progyny. Demand is being driven by several factors, including people delaying having children and living unhealthy lifestyles. In addition, rising disposable incomes, flexible insurance coverage, and increased advertising of reproductive services are all driving demand. A [report](#) from Market Research Future predicts a 6% compound annual growth rate for fertility services from 2022 to 2030, with global revenue rising from \$30.6 billion to more than \$46 billion over that time.

Progyny will have to navigate several challenges to achieve its revenue growth goals of 37% to 39% for 2023, including an economy that has seen [significant layoffs](#), especially in the tech sector. That hurts Progyny's fee-per-employee and utilization-fee business model. As an example, X—formerly Twitter Inc.—recently laid off more than 5,000 employees and cut fertility benefits to \$40,000 from \$80,000. In addition, insurers perceive that fertility treatments are an elective medical procedure, while most in the medical community consider infertility to be a disease.

Competition is prolific in fertility benefits, with Progyny facing off against large insurers, numerous specialty service providers, and over 450 fertility clinics operating in the United States. Progyny's primary competition includes Maven, Carrot, WINFertility, and Kindbody. Recently, Kindbody secured Walmart Inc. (WMT) as a [customer](#). One of the key competitive issues will be whether employers are seeking broader solutions than just fertility benefits, as some companies have branched into services around post-pregnancy care and menopause.

Current Research

Blueshift Research assessed the size of the fertility and family-building services market and specifically the future opportunity for Progyny. We employed our pattern mining approach to establish eight independent silos, comprising 17 primary sources and two secondary sources focused on fertility and family-building benefits. Interviews were conducted Sept. 11-22.

- 1) Progyny customers (3)
- 2) Competitor's customers (2)
- 3) Progyny providers and partners (3)
- 4) Competitors (4)
- 5) Sales channel (2)
- 6) Industry specialists (3)
- 7) Secondary sources (2)

Next Steps

Blueshift Research will continue to research the penetration rate of fertility benefits to determine what Progyny's growth opportunity is. We will also research Progyny's offering to evaluate its success in expanding its service portfolio and what impact that may have on share.

Silos

1) Progyny Customers

Two current Progyny customers and one new one said the estimated total available market that Progyny has identified is likely accurate. One said it is penetrated at about 40%, and another said it is highly penetrated. The third source said the market will continue to grow over the next five years, and fertility will become a standard benefit. All three sources think Progyny's growth trend will continue. One said the 37%-to-39% growth guidance for 2023 is "bold and aggressive" but likely to happen. Another said new customers will drive growth, but layoffs in the tech sector could make that projected growth harder to achieve. The third source said the growth goal is likely attainable because management has good visibility of its pipeline, as the benefits sales season has just ended. Moving forward, growth is not expected to be as robust and will have to come from new verticals, such as employers with fewer than 1,000 employees and markets outside the United States. Another potential growth area discussed by two sources was the possibility of Progyny partnering with the large mainstream health insurers, such as Blue Cross and Blue Shield. Progyny was praised for its high employee satisfaction, excellent employee support, and cost benefit for employers. It also benefits from being the first to market with a fertility benefit. Maven and Carrot are considered Progyny's primary competition. Maven is also a benefit provider at two of these sources' companies in addition to Progyny because Maven provides superior maternity services and has more robust services outside the United States.

Key Silo Findings

Background

- 2 benefit/talent acquisition managers at large international technology companies that currently contract with Progyny. 1 also contracts with Maven for wraparound benefits.
- 1 benefits executive who contracted with Progyny to provide fertility benefits starting in 2023. This company also contracted with Maven for maternity benefits.

Market Dynamics

- 3 said the Progyny's stated TAM is accurate.
- 1 said it is penetrated at 40%.
- 1 said it is highly penetrated.
- 1 said the market will continue to grow for the next five years as fertility benefits become a standard offering.

Progyny Performance

- 1 said Progyny has a high employee satisfaction level because of its personal attention and service model.
- 1 said Progyny provides great employee support and reduces employer costs.

- 1 said Progyny has first-mover advantage in fertility.

Progyny Growth Potential

- 3 said Progyny will continue to grow.
 - o 1 said 37% to 39% growth is a “bold and aggressive” goal but likely attainable.
 - o 1 said growth will come from new customers and at the same time be challenged by tech company layoffs.
 - o 1 said Progyny’s growth forecast is attainable because management has good visibility into its sales pipeline.

Competitive Landscape

- Fertility and family-building services is becoming a crowded and competitive market.
- Maven and Carrot were discussed as competitors.
- Maven provides strong maternity services compared to Progyny.

1) Former benefits manager at a Fortune 50 company with hundreds of thousands of employees

Progyny’s calculation of 8,000 companies as its addressable market is probably fairly accurate, and the market continues to grow as Progyny and others look to expand their repertoire, sometimes in partnerships with other companies or as a service with large medical insurance providers. Fertility and family building are not limited to the tech sector but are becoming important to any organization that wants to attract and retain millennials who have the experience and skills they need. Estimates of 40% of the addressable market being penetrated seem to be accurate. Progyny is expected to continue its growth trend; the source considers the 37%-to-39% guidance “bold and aggressive”; however, he does not think management would have established it unless they were trending that way. Employee satisfaction with Progyny at this company is high. Progyny’s strength is in its specific area, where they have a high-touch offering that has a customized feel. This company chose Progyny because of its ability to scale to their size and chose Maven for other wraparound offerings. The high cost is one of the biggest challenges, as employers consider how many of their employees might use the service. The complexity and logistics of adding these services are also a challenge. The sector of fertility and family-building benefits is competitive, as large medical insurance providers also look to offer similar services.

Background

- Designed, developed, pitched, and got approval to add Progyny to company’s medical benefits; among the first companies to add the benefit.
- Fortune 50 company.

Market Dynamics

- “Progyny’s number of 8,000 companies is probably fairly accurate. The market is huge. When we researched it about five years ago, we were looking at Fortune 50 and Fortune 100 companies. The vast majority either were offering it or were planning to offer the benefits within the next 36 months. How penetrated the market is depends on the size of the company and the generosity of the benefits package. It also depends on the average age of employees at a company. If most employees are in their early 30s, the benefit is important. If the median age is 50, the company has no interest in adding the benefit.”
- “Fertility benefits have become a bigger issue because of the expense and because employers are trying to retain or bring in the best people. Millennials in their late 20s to early 40s have the skill sets to add value to a large organization. Many of them are putting off having children until later in their careers. Also, people have not been getting great education through the medical system about what their fertile years are, about what they need to do to freeze eggs, and how they need to proactively plan their families.”
- “There was strong focus about 10 years ago on establishing benefits to support LGBTQ so that they could be highlighted and brought into the company. Over the last five years, fertility has become something that many employers are adding.”
- “A cycle usually includes the drugs, the lab work to try to fertilize the eggs, and implanting them. The cycle ends if a menstrual cycle comes. If you are paying out of pocket, a cycle can run between \$8,000 and \$20,000. Sometimes companies already pay for the drugs because they can be used for other things, like menstrual regulation. At [my company] we saw a huge uptick in the number of people who wanted to use the benefits. It probably breaks down as 75% hetero couples who were having problems getting pregnant and about 25% gay or trans couples who had frozen eggs and were trying to implant them. We wanted to make sure the fertility benefits were available to people of all genders and all lifestyles.”

- “Companies also do wraparound benefits. They either buy from companies that offer some pre- and post-birth benefits, or they do them as wraparound benefits. We used a separate company, Maven. Maven was there to do coaching and development for people trying to plan a family—coaching for births and for breast-feeding counselors—the things that come up until you become pregnant or after until the baby is about 1. This included education and microservices that would be helpful for people having children.”
- “The next big breakout we are seeing and we’re going to be seeing more of are companies like Progyny and Maven expanding their repertoire so they can grow in the fertility market and still be profitable, even as there are no big changes in fertility treatment. They are expanding to benefits targeted at a woman’s life cycle, things like menopause. They are trying to keep their market base after a woman has had her baby.”
- “Fertility benefits are not limited to being offered in the tech sector. They are everywhere. In Fortune 50, Fortune 100, and Fortune 500 companies, the 40% number of companies that have it [that we are seeing in the press] is probably accurate.”
- “I don’t think all employers will offer these benefits because the cost is high, and you have to have a large enough employee base to spread the cost out. Our company tracked this initially when we offered the benefit—it went from a few hundred using it at first to the low thousands by year four. Still, for a large employee base of several hundred thousand, it’s not a huge amount.”
- “Senior care is often overlooked and not offered at too many companies. There are leaves of absence or EAP [employee assistance plan] services or EEP [employee education programs] to help people find places for their mom. But most companies don’t pay dollars for adult day care or other elder care. Best-in-class employers have a wellness program. Wellness is different, though, because it’s a voluntary, optional activity. Elder care doesn’t apply to everybody but to people who are in their 40s through their 60s, starting to take care of parents. However, the want and need for fertility is front-and-center because it involves people in their 20s all the way to their 40s, a big chunk of the workforce.”
- “The heaviest spend for a company is usually on prescription drugs over medical procedures. Diabetes, heart, and surgical procedures typically drive big dollar costs, along with the drugs associated with them, as well as anti-depressants. But these costs haven’t changed significantly in the last 10 years. Companies do think hard about which options to offer in weight loss.”
- “Mental health has become an area of focus for many companies, and so has expanding those benefits.”
- “Fertility benefits is the major benefit that attracts and retains a certain subset of employees.”

Progyny Performance

- “Our employees satisfaction level with Progyny is very good. [My company] is in the jumbo enterprise segment. I know that means they get special treatment. We had a very responsive and well-educated account team who could speak off the cuff about these topics. They built out a separate program completely dedicated to us. [Progyny’s] customer advocates who did the vetting and the people who guided employees through the process were better educated and more knowledgeable about the product than even some medical providers I’ve worked with. It became an even simpler experience when we added their drug benefits.”
- “Progyny is smaller and newer than some of the other companies doing fertility. We also looked at Maven but ended up using them for different services.”
- “Larger companies [like the large health insurance companies] are also making a fertility offering by either buying smaller companies [like Progyny], or they are setting up a division to compete in the space. This just means one more set of doctors for them that they contract with.”
- “We chose Progyny because we felt they were the best in their space, and they could scale for the size of our organization. We wouldn’t have used them if they couldn’t scale. Some companies are great at what they do, but they’ve never had a client with more than 10,000 employees, so they wouldn’t be able to manage a very large organization.”
- “Fertility is meant to be a suite of benefits, not just a stand-alone. It involves planning to have a family, paid or unpaid leave, disability payment when employees are out on leave, financial support for employees that want or need to freeze their eggs, and adoption. There are many things that are tied into it. It’s usually part of a company’s overall strategy to build out a program of different services and offerings to bring in and keep somebody who potentially wants to have a family.”
- “Progyny partners with Maven sometimes for combined wraparound services like menopause.”
- “Progyny’s strong suit is to offer a specific, well-educated high-touch offering that has a very customized feel.”

Progyny Growth Potential

- “Progyny will continue to grow. They have several megaclients they picked up in the last year. When we talked to them, they provided a robust list of clients we could talk to about designing a program.”
- “[When they say they’re going to grow 37% to 39% in 2023] it is very bold and aggressive, but I don’t think they would have put out that number if they weren’t trending in that direction. I’m curious to see how it goes.”
- “If let’s say Blue Cross offered it as part of a fully insured plan as bolt-on [and not add-on]—services that can be added to a basic PPO [preferred provider organization]. I’m sure that’s part of Progyny’s repertoire. I think they are also seeing more self-insured, larger employers adding fertility.”
- “As a challenge, the cost factor is definitely impactful, especially for companies thinking about it for the first time, depending on how many people are eligible in their employee base and also how broad the offerings are—one cycle or up to four cycles, one drug or three drugs. Complexity and the logistics of how you offer [fertility benefits] are also challenges.”

“Progyny will continue to grow. They have several megaclients they picked up in the last year. When we talked to them, they provided a robust list of clients we could talk to about designing a program.”

Former benefits manager at a Fortune 50 company with hundreds of thousands of employees

Competitive Landscape

- “It will be interesting to see how mainstream this kind of offering will be in five years. Will it be as much a reason for someone to take a job and keep a job as it is today? There are a lot of social and economic reasons that people will be using these benefits more.”
- “The sector is very competitive. At first only small, niche companies were offering it, but now some mainstream medical providers are starting to offer it. The companies offering fertility benefits management are going to have to up their game or look for ways to create partnerships with not only small companies in the same area but also with larger ones like Blue Cross and Aetna [Inc.], so they can become their provider of choice and still be able to maintain their independence.”

2) Talent acquisition manager in the Midwest for an international financial technology company

This source praised Progyny for the comprehensive emotional support programs offered to patients undergoing fertility treatment and said it was the key factor favoring Progyny when the company was choosing a provider. Family-building programs help reduce healthcare costs in the long run, as they create a healthier environment for employees. The source believes that the market for fertility benefits is still growing and will keep growing for at least five years, becoming a standard offer in most industries, while today it’s only the IT industry that has adopted this practice. The further growth is likely to be driven by new industries rather than the industries that already routinely offer fertility benefits. The growth in IT is problematic because of massive layoffs industrywide. The competition is tightening, but the three leaders—Progyny, WIN Fertility, and Maven—keep their positions as top providers.

Background

- This source represents a U.S. multinational financial technology company operating an online payments system. The company operates as a payment processor for online vendors, auction sites, and many other commercial users. The company currently employs about 30,000 worldwide.
- Progyny has worked with this company since 2019.
- All other major providers were considered.

Market Dynamic

- “I believe the market will keep growing, as fertility benefits are only starting to become a new standard. Progyny’s estimations of 75 million lives look about right.”
- “Unfortunately, it’s mostly IT giants that have adopted fertility benefits as a part of their talent acquisition strategy. It is going to become a common practice in the next five years.”
- “Demand for fertility benefits is significant, especially in the industries with comparably younger demographics. Today, employees start growing their families in their 30s, and new parents in their 40s are not unusual, too. And that trend drives demand for fertility benefits.”
- “In IT, the cost of replacing an employee is very high. Offering benefits that allow an employee to grow a family while remaining a part of the company is a healthier and, on the long run, cheaper way to run a business.”

- “Mental health is one of the most challenging areas. But family-growing benefits actually reduce the need for mental healthcare, as employees that have happy families enjoy stronger mental health.”

Progyny Performance

- “We chose Progyny among other providers because Progyny takes a more comprehensive approach and pays attention to emotional support of those who are going through fertility treatment. It’s more than just sperm and eggs. It’s people’s lives and relationships. Progyny understands that.”
- “As far as I know, Progyny meets our expectations when it comes to customers’ satisfaction. They’ve been doing a great job for the company and its employees.”
- “Our company offers a lot of benefits for employees who want to grow their families, but it is not at the expense of comprehensive health care coverage.”

Progyny Growth Potential

- “Because the company had to lay off a large number of employees, the number of lives covered by Progyny this year is lower than one year before. This is an industrywide trend.”
- “I don’t know whether Progyny is able to meet its goal this year and keep the growth pace as high as it has been, but there definitely is room for growth in the market. I think it’s new contracts, new large names in the industries that were not covered yet that will drive the growth.”

Competitive Landscape

- “Fertility benefits are growing, and there are more companies now that offer various programs. The market is getting more crowded.”
- “The major players are Progyny, WinFertility, Maven. They are the leaders.”

“I believe the market will keep growing, as fertility benefits are only starting to become a new standard. Progyny’s estimations of 75 million lives look about right.”

Talent acquisition manager in the Midwest for an international financial technology company

3) Benefits executive at a large multinational tech company

Progyny’s estimate of its addressable market is probably about right; but much of it is already penetrated, as many large, self-insured companies have already made decisions on fertility benefits as a service. Progyny’s stated growth target is likely attainable this year, as they must have good visibility into their pipeline. But their growth will not be as great in coming years. In order to grow, they will have to add another vertical to their offering or expand globally. They can also grow by working strategically with large medical insurance groups to provide their services to insured employers. This company will start using Progyny at the beginning of the year along with Maven. They would have preferred to use Maven because of its value proposition, but their strong maternity coverage does not include fertility. Progyny only addresses fertility, which affects 5% to 10% of the maternity population. But it does not address other aspects of maternity, which concern the other 90% of targeted employees. Maven’s other advantage is that it is global, which Progyny is not. Progyny still is the leading company in fertility benefits because of its first-mover’s advantage.

Background

- Technology company with about 10,000 employees in the United States.
- Have a reimbursement basis from health insurance for now but moving to Progyny for fertility support in the beginning of next year.

Market Dynamics

- “[Progyny’s estimate of its addressable market of about 8,000 companies] sounds about right, or maybe just a little low, for the U.S. But that’s Progyny’s limitation, that they are looking for companies with 1,000 or more employees and just in the U.S.”
- “There could in addition be a consortium-type approach with multiple employees pooling together. This is common in other fields like pharmacy, with midsize companies pooling together. It happens frequently outside the U.S., too.”
- “In the U.S., there are about 100,000 employers that have more than 500 employees.”
- “I think a lot of the addressable market has already evaluated what’s available and selected a vendor.”
- “Employers that have 1,000-plus employees and have fertility benefits are now a crowded play. I think many employers who don’t have fertility benefits have an opinion by now, and they are constrained by cost or other issues. “It’s crowded now with a fairly large moat.”

- “Overall maternity is maturing, but there are several companies in the space like Maven that are well-funded by VCs. In the U.S. at least, it’s a crowded play as well.”
- “I think the biggest growth will be outside of the U.S. But I don’t think there’s a compelling product there yet.”
- “If a company is going to have fertility benefits, the cost doesn’t change that much for using a company like Progyny as a service.”
- “To be competitive, tech companies have to have fertility benefits. At a previous large company, we moved to a service-based model about six years ago already.”
- “The tech industry has taken the lead in this space because the target employee is around 30 years old. Some industries with older employees or unions might not find fertility benefits as important.”
- “In our case, cost wasn’t a factor because we are moving from a dollar cap to a service cap. Assuming demand remained unchanged, it was net cost-neutral in terms of spending. Moving to a service meant we were getting more value for the same cost. In a way, it was cheaper.”
- “I was looking for end-to-end maternity support because only 5% to 10% of pregnancies require fertility support, but the health outcomes of the remaining 90% need to be taken into account as well.”
- “For companies going from nothing, cost could be more of a concern. But going with a program like Progyny’s means more value and better outcomes.”

Progyny Performance

- “From my observation, companies like Maven have a better inroad in this market because they are solving for 90% of maternities rather than the 5% to 10% or so who have fertility problems. They [Maven] have a strong value proposition, and if they can still make inroads in the fertility space, they’ll be in a very good position. We didn’t choose Maven for fertility because they are just building up their fertility support offering, and they were not yet comfortable taking on a larger company as a customer. Progyny and Maven partnered together to build our product.”
- “The two are starting to compete, but they are still partnering strategically in some areas. Progyny is trying to get more into the overall maternity space from where they started in fertility, while Maven is starting with overall maternity and trying to get into the fertility space. Maven is a little stronger because they are more global, so it’s easy to expand to other countries.”
- “We also looked at Carrot and a couple of others.”
- “Maven had the best value proposition by far in the overall maternity support space, and the ROI was huge. At tech companies where the average age is 30, 31, maternity is the top cost. If you can provide support for 100% of employees, the ROI is even higher. Progyny primarily focuses on fertility, so it’s still only 10% of the maternity population that we work with.”
- “Pregnancy is a stressful time for employees, and if they’re not going to be focused, that takes away from their productivity. Providing end-to-end navigation support for 100% of employees considering having a child is a really good value proposition for employers.”
- “We added menopause support with Maven. We also wanted to make sure that after a child is born the parents were able to find permanent care so they could return to work easily. We therefore have a lot of post-birth support from doulas to helping find permanent day care. It’s from Maven. Maven also has a nice add-on for behavioral health support [around maternity]. Our approach to parental leave is holistic. Adoption, surrogacy, and fertility are through Progyny, and everything else is through Maven. Outside the U.S., we work with Maven.”
- “Progyny should have been building this additional maternity support one or two years ago, but now they’re playing catch-up. Their [Progyny’s] product around maternity support is not mature enough. With us, they only wanted to do fertility. They were more interested in taking fertility global as opposed to working on end-to-end maternity support. I think it will take them another one or two years to build it out. The concern is that Maven has a strong head start, and they are better-positioned for global.”

Progyny Growth Potential

- “Progyny is positioned to grow in the U.S. market. The headwind is that they are probably narrowing the top of their goal group, and unless they can find a way to get their addressable market to be employers with under 1,000 employees, they can expand if they go international. There are a lot of tax issues and other complexities that would make scaling globally difficult. I think they will need another vertical quickly. But for the next 12 to 18 months, they will be fine. After that, they will likely not be growing as much. We are not planning to add any services from them. Outside the U.S., it’s important to have navigation support for fertility because of tax rules and the complexities of working with public benefits, but Progyny doesn’t have strong navigational support.”
- “They [Progyny] have focused on the 10% of pregnancies in one country [they’re now starting in Canada], whereas Maven focuses on the 90%, and they are global. They have a much larger total addressable market.”

- “Many of the target employees that Progyny is going after either have fertility benefits already or will eventually have it, so there won’t be much room for growth.”
- “At this point, they have good visibility of their pipeline, and purchase decisions have been made by July and August. That [37% to 39%] growth is probably attainable for this year, and next year they might still grow 25% to 30%. After, it’s likely going to continue to decline.”

Competitive Landscape

- “Progyny could create strategic partnerships with insurers, because those are not very good in the fertility area. Having Progyny’s network facilities and concierge support would work well. I think they might have started to do that with medical insurers for fully insured employers.”
- “Progyny will have to find a way to get to the smaller head-count employers. There are 100,000 employers who have between 500 and 10,000 employees. If they can get to those, that will give them more volume.”
- “Among the U.S. fertility companies, Progyny is the leading one. For global maternity support, it’s Maven. In fertility, Progyny had a head start and has an early-mover’s advantage.”
- “For Progyny to grow, they will have to look for growth outside the U.S., or they will have to find another vertical.”

“At this point, they have good visibility of their pipeline, and purchase decisions have been made by July and August. That [37% to 39%] growth is probably attainable for this year, and next year they might still grow 25% to 30%. After, it’s likely going to continue to decline.”

Benefits executive at a large multinational tech company

2) Competitor’s Customers

Two employers using Carrot for their fertility benefits had slightly different opinions on the total available fertility market and Progyny’s growth opportunity. One said Progyny’s TAM estimate may be right; however, the current turbulent economy, declining IT and high-tech industries, and strong competition will challenge the company to achieve its 37%-to-39% growth goal unless it can expand internationally or into other industries, or both. He said adoption of fertility benefits has been centered in technology, which is now saturated, and wider adoption will be challenged. The other source said the market is likely larger than Progyny has estimated because employers with fewer than 1,000 employees are interested in offering fertility benefits as well. They expect that Progyny can achieve its 2023 growth goals. This source said the primary markets for fertility services are tech, finance, and professional services. Progyny was considered by both these companies when they added the fertility benefit. Carrot won the business in one company because of its international presence and in the other company because of a more affordable pricing model.

Key Silo Findings

Background

- 1 source represents an international finance software development company that selected Carrot over Progyny.
- 1 source represents an online tech communications company that selected Carrot over Progyny.

Market Dynamics

- 1 said the TAM for fertility published by Progyny is accurate. However, adoption has been largely in the tech industries, which are now saturated.
- 1 said the market is larger than Progyny’s projected TAM because companies with fewer than 1,000 employees are also interested in offering fertility benefits.
- 2 said the fertility benefits market is made up of IT, tech, finance, and professional services employers.

Progyny Performance

- 1 said Progyny lacks an international presence and does not offer any unique services.
- 1 said Progyny’s per-employee-per-month and cycle pricing model is an issue.

Progyny Growth Potential

- 1 said Progyny’s growth goals of 37% to 39% cannot be achieved unless they expand to other industries and/or outside the U.S.
- 1 said Progyny can achieve its growth goals.

Competitive Landscape

- 2 said competition in employee benefits is significant.

1) Compensation manager at a software development company

This benefits manager at a large financial software company confirmed the accuracy of Progyny numbers regarding the potential market size but expressed doubts regarding the growth goals that Progyny articulated for 2023. A turbulent economy, a decline in Progyny's key markets in IT and high-tech, and high competition are the main factors that may hinder Progyny from growing at the desired pace. Also, Progyny focuses mostly on North America, while competitors such as Carrot offer international coverage. Progyny may accelerate its growth if new markets follow IT in making fertility benefits a standard option, but so far, it is unclear which market is going to do that.

Background

- Source represents an international financial software development company with 8,000 employees globally.
- This source's company partners with Carrot Fertility; their program covers an annual max of \$10,000 and a lifetime max of \$20,000 per employee.

Market Dynamic

- "Progyny numbers regarding the market size [75 million potential lives] could be right, but it doesn't mean that every company of the size over 1,000 employees is ready to cover infertility and fertility programs."
- "There are two types of large companies offering fertility benefits. The first is the IT and high-tech segment, where highly skilled professionals negotiate more favorable benefits with employers, and employers need to be attractive to talent. And the second is employers who offer fertility programs to improve their dubious reputations and gain more publicity. Both segments are already quite saturated, and competition between solution providers is getting tougher."
- "Fertility benefits have become a standard option in the IT segment, but I am not sure if other industries will follow. Because of the turbulent economy, many employers are looking for the most cost-efficient practices. And also, there are other health benefits to cover, such as mental health, metabolism-related issues, obesity, cardiovascular health, cancer, and so on."

Progyny Performance

- "When we were looking for fertility programs, we needed an international provider, such as Carrot. It was the major argument in favor of Carrot."
- "Progyny doesn't offer anything unique. The plans we get from Carrot cover the same things that Progyny would cover; these are almost identical programs."
- "Our employees are satisfied with the quality and the level of services they receive under the program offered by Carrot."

Progyny Growth Potential

- "The IT segment is going through difficult times. Our company had to cut the number of employees last year, and so did many other large enterprises. I don't think that Progyny can grow in the IT market, which is its key market at this moment."
- "I don't know what markets Progyny is targeting now, but in IT/high-tech, they won't get 37% to 39% growth this year. It is simply impossible."

"I don't know what markets Progyny is targeting now, but in IT/high-tech, they won't get 37% to 39% growth this year. It is simply impossible."

Compensation manager at a software development company

Competitive Landscape

- "The competition between solutions providers is tough, and it only gets tougher. Businesses have a lot of different options to choose from."
- "For us, Carrot is the best option for many reasons, including its international coverage, flexibility, and transparency."

2) Former global benefits executive for a tech company

Many companies, large and small, would like to add fertility benefits. Employers—especially in tech, finance, and professional services—are motivated because there is a great deal of competition to attract and retain those employees. This company chose Carrot because Progyny's format of covering at least a full cycle was higher than their planned budget. Employers are looking for more services that are preferably consolidated by one vendor. Having too many vendors—too much noise directed at benefits professionals—is a challenge. The pricing model of fertility benefits is also a challenge and needs to be based on use.

Background

- Tech industry.
- Using Carrot for about three years.

Market Dynamics

- “I don’t think the fertility benefits market is limited to companies with over 1,000 employees. Smaller companies, too, have the same approximate 3% of people that are looking for assistance with those kinds of services. It might be more lucrative for Progyny to look at [self-insured] employers with more than 1,000 employees, but the ones with less than 1,000 would also be interested.”
- “Employers are motivated to have these benefits to attract and retain talent.”
- “There’s some pressure for other employers than just tech to offer fertility benefits. Tech, financial services, and professional services have a lot of competition for positions, so offering these benefits helps them retain employees.”
- “There are other ways of offering fertility without using a company like Progyny or Carrot, although they might not be as easy to use. This could be through regular medical insurance plans. Companies can manipulate their plans to offer benefits, but they usually won’t have the diversity, and they won’t pay for adoption [which could be a separate program]. Surrogacy [which is covered by Carrot] isn’t covered by an insurance provider, either.”

Progyny Performance

- “When we selected Carrot, we also looked at Progyny. We didn’t have a large benefit. Progyny was doing it by full cycles, and it was a higher cost [than what we could get from Carrot]. That meant that if we offered it with our lower dollar amount, it would look kind of cheap. Five thousand dollars sounds great but didn’t cover a full cycle at Progyny, and that didn’t send a positive message to employees. Carrot agreed to the \$5,000 amount in lifetime benefits, and the next year we increased that to \$10,000. It would have been a challenge to try to put a positive spin on not even paying for a full cycle with Progyny.”
- “We only looked at Carrot and Progyny because at the time, they were the two biggest.”
- “Employers are looking for more benefits, and the trend is to try to wrap as much into one vendor as possible. A vendor with a broader spectrum is better. It means just one vendor rather than two or even three.”
- “At the time, there wasn’t really anything on the market with broader benefits. Carrot now does offer menopause support.”
- “There absolutely is demand from employees for mental healthcare. It’s the biggest one. Another popular one is financial planning—not financial assistance but planning.”
- “Employers make decisions based on what fits into their budgets. It also has to be something that’s sustainable for the next few years because you don’t want to offer a benefit that you’re going to take away. At the end of the day, every benefit group is going to be listening to what their employees are asking about and trying to see if they can get that into their budget.”

Progyny Growth Potential

- “If a vendor is providing a service that’s desired by employees and is well-priced for the employer, I think there’s a continuing market for that service. There are still many companies—large and small—that don’t provide fertility assistance. There’s a market there.”
- “[Progyny’s growth guidance can be attainable] if their pricing is good, if employers are ready, and if employees are asking for this service.”

Competitive Landscape

- “There’s talk in the industry about vendor fatigue. Employers would be happy to see the consolidation of as many services as possible. There are all kinds of offers of services available for employees. It makes it harder to decide which ones to add. Employees also know what’s available based on what their friends at other companies have. There’s a lot of noise in the market for benefits professionals.”
- “Another challenge is the pricing. The PEPM [per employee per month] pricing model is not something that people are interested in—especially not for fertility benefits, where you are probably only serving 3% of your population. That arena is going to need to be priced well and based on utilization.”

“There’s talk in the industry about vendor fatigue. Employers would be happy to see the consolidation of as many services as possible. There are all kinds of offers of services available for employees. It makes it harder to decide which ones to add. Employees also know what’s available based on what their friends at other companies have. There’s a lot of noise in the market for benefits professionals.”

Former global benefits executive
for a tech company

3) Progyny Providers and Partners

Sources representing a genetic testing lab and two fertility clinics that are Progyny providers had varied views of the fertility market. One said most of the companies that have been interested in offering a fertility benefit have done so already, and growth will only be in the high single digits. Another source said that the market will grow 30% to 35% over the next 12 to 18 months and that fertility benefits will become a standard benefit over the next five years. The third said Progyny's stated TAM is accurate, and the market is penetrated at about 50%. Prospects for Progyny's growth potential also generated varied opinions, with one source expecting the company's results to be in line with the industry estimate of high-single-digit growth. Another said its clinic's traffic from Progyny has slowed, but it is seeing new patient traffic. The third source said Progyny's growth would continue as it adds new patients and businesses consolidate. All three sources said Progyny performs well. Its strengths include its patient-centric approach, always doing what is best for the patient, and its priority focus on fertility. One source said Progyny has room for improvement in its communications, and two others said Progyny's services have now become a standard offering across all competitors, and there is little differentiation. Primary competition comes from WINFertility, Maven, Carrot, and major health insurers.

Key Silo Findings

Background

- 1 source represents a genetic testing lab that is a provider for Progyny and its competitors.
- 2 sources represent fertility clinics that are Progyny providers, but not exclusively.

Market Dynamics

- 1 said most employers that are interested in providing fertility benefits have done so already, and growth will continue, but only in the high single digits.
- 1 said the market will grow 30% to 35% over the next 12 to 18 months, and fertility benefits will become a standard offering over the next five years.
- 1 said Progyny's TAM is accurate and penetrated at about 50%.

Progyny Performance

- 3 complimented Progyny's performance, citing its patient-centric approach. Its strong focus on fertility is considered a strength as well.
- Sources suggested that Progyny has room for improvement.
 - o 1 said Progyny's communications with patients and providers need attention.
 - o 2 said that after setting the standard for fertility services, nothing differentiates Progyny from other insurers.

Progyny Growth Potential

- 1 said Progyny will grow in line with the fertility industry in the high single digits. They added that this benefits selling season was not equal to last year and that they anticipate the next 12 to 18 months to be challenging but not terrible.
- 1 said Progyny's patient traffic has slowed recently; however, the clinic is servicing new Progyny patients coming to the clinic. They commented that the only thing challenging Progyny's growth is increasing competition.
- 1 said Progyny's growth will continue and be driven by new customers. The high cost of fertility during economic decline is a challenge, and Progyny will have to add services and new markets to continue to grow.

Competitive Landscape

- Progyny's competition comes from WINFertility, Maven, Carrot, and major health insurance providers, which all three providers also work with.

1) Senior regional sales manager at a genetic testing biotech company partnering with Progyny

This source thinks that Progyny performs well and sticks to what's best for patients, including not very common prenatal genetic tests. However, being a trendsetter industrywide, Progyny today offers a more or less standard set of services and is not different from other major players in this market. The main problems that affect Progyny are the weakening economy and the need for employers to devote more resources to other areas of healthcare, such as cancer and general women's health. Progyny is on par with the market, and for the next 12-18 months that market is going to grow at high single digits without any specific industry driving that growth. With that perspective, the growth goals that Progyny set do not look realistic.

Background

- Source represents a leading medical-grade genetic testing company. The company is aggregating the world's medical-grade genetic tests into a single service with higher quality, faster turnaround time, and lower prices.
- The company has been partnering with Progyny since 2019 doing preconception carrier screening and some other genetic tests.
- The partnership is not exclusive; the company works with many other insurance and benefit management companies.

Market Dynamic

- “The size of the market can be defined in different ways. There are many large corporations that do not offer comprehensive fertility plans, and if you think of them as potential customers of Progyny, then Progyny is right. If you want to figure out how many of those corporations will actually buy the plans for their employees, you have to factor in many different factors, and you may come up with smaller numbers as a result. It is very arbitrary.”
- “I think those companies who wanted to offer their employees fertility benefits have already done that. The market may keep growing, but at high-single-digit rates at best.”
- “I don't think fertility benefits are industry-specific, not anymore. Many companies from different industries adopt fertility benefits, and the dynamic is still positive but not explosive.”
- “In genetic testing, the highest demand today is for cancer-related tests. Ovarian cancer and breast cancer are the leaders. Prenatal testing is quite popular but not as much as cancer-related tests.”

“I think those companies who wanted to offer their employees fertility benefits have already done that. The market may keep growing, but at high-single-digit rates at best.”

Senior regional sales manager at a genetic testing biotech company partnering with Progyny

Progyny Performance

- “Progyny is offering a variety of tests for different fertility needs. And it is good, because sometimes, some tests are considered unnecessary. But in fact, they really improve patients' chances for a healthy pregnancy.”
- “Progyny once set industry standards, and now most of its competitors offer the same set of services as Progyny.”
- “I don't see the entire spectrum of Progyny offers, but in genetic testing, Progyny is comprehensive and always does what is best for a patient.”

Progyny Growth Potential

- “This season is somewhat problematic for many industries, so overall, this season is worse than one year ago—at least in our region. [A] worsening economy is not helping.”
- “The next 12 to 18 months are going to be challenging but not awful. However, I am a bit skeptical about 37% to 39% growth. I don't see how they can attain that.”
- “I think Progyny is doing a great job, but the market conditions, the economy today are challenging, Progyny is on par with the market, and is going to follow its ups and downs.”

Competitive Landscape

- “The big players like Progyny, WinFertility, and such, I don't see any significant differences between them. They are all good, and their services are not much different.”
- “The competition from other areas of healthcare—such as cancer, general women's health, not related to fertility—they are taking more resources, and the priority of fertility benefits is not necessarily the highest.”

2) Medical director at a fertility center that partners with Progyny and other fertility insurers

This source at a fertility center in the Midwest said the demand for fertility benefits is growing, and the market will keep growing at a 30%-to-35% rate over the next 12 months. Fertility benefits are often used to attract employees, and today, many industries are adopting this practice, not just high-tech. Also, employees have become more informed about the benefits and are proactive in searching for better benefits, which would include medications and comprehensive treatments. Though Progyny performs well and keeps its patients satisfied, there is room for improvement, especially in light of growing competition. Progyny has started the season good but a bit slow, yet is driving “quite a lot” of new patients to the center. The only problem that may prevent Progyny from attaining its growth goals is increasing competition.

Background

- The fertility center has been a Progyny provider for over five years.
- The fertility center works with many fertility insurers, not exclusively with Progyny.

Market Dynamic

- “The demand for fertility benefits is growing, and the market is growing, too. I expect the market to grow up 30% to 35% over the next 12 months.”
- “Fertility benefits help to attract employees, it’s a fact. More and more employers are using this as a tool to attract highly skilled people to their companies.”
- “Originally, it was mostly in technologies, high-tech, but today, many industries are normalizing fertility benefits.”
- “There is also the demand for better fertility benefits. Employees today know what offers they can get in the market, and they are looking for better coverage, including medications and complex treatment programs.”

Progyny Performance

- “Progyny is one of the leaders, it is for sure. Is it the best? I am not so sure.”
- “I heard patients complaining about Progyny for their insufficient coverage of medications. And sometimes, there are issues with timely updates from insurers, and patients can’t get the treatment at the right time or get their prescriptions. Well, the company is big, and mistakes do happen.”
- “If I rate patients’ satisfaction with Progyny from 1 to 10, with 10 being the best, I would say, it’s 8. They are good, but there is room for improvement.”

Progyny Growth Potential

- “This season, Progyny is a little bit slow, but I see quite a lot of new patients from them.”
- “I think Progyny will keep growing for the next 12 to 18 months as the market is growing, too, and I think to accelerate their growth, they might need to keep up with their competitors. The coverage and the plans from other fertility insurers are getting wider, more flexible, and more comprehensive. This is something Progyny can work on.”
- “I think competition is what may deter Progyny from attaining their growth goals. The competition in this market is rapidly increasing. WINFertility and Carrot are doing great jobs, too, not to mention smaller insurers.”

“I think competition is what may deter Progyny from attaining their growth goals. The competition in this market is rapidly increasing. WINFertility and Carrot are doing great jobs, too, not to mention smaller insurers.”

Medical director at a fertility center that partners with Progyny and other fertility insurers

Competitive Landscape

- “As I said, competition is growing, and competitors are designing more flexible and more comprehensive plans.”
- “There are more smaller companies competing with Progyny, who just recently started covering fertility and family building.”
- “Fertility benefits are going to become normal soon; maybe it’s a matter of the next five years.”

3) Physician at a West Coast fertility clinic

Progyny probably does have an addressable market of about 8,000 companies that are large enough to be self-insured, and this source thinks that less than half of that market has a solution in place. He expects Progyny to grow because it will be adding patients who need fertility treatment. And because of consolidations across industries, more companies with over 1,000 employees will choose self-insurance and want to add fertility benefits. Offering fertility benefits especially makes sense for companies with highly qualified employees whom a company wants to retain. Progyny is the market leader because of its unique approach to helping patients with their journey. Progyny’s strength and differentiator is in its complete focus on fertility. Patients are happy with Progyny. There are many challenges to the growth of fertility benefits, but the primary one is its high cost in the current economic downturn. This could lead to slower growth but not a loss in patients of companies that are already signed on. Progyny’s future growth may involve adding more benefits and expanding its market.

Background

- This fertility clinic works with Progyny, WINFertility, Carrot, Maven, and a few more, including large medical insurance companies.

Market Dynamics

- “[Progyny’s estimate of 8,000 companies making up their addressable market] sounds about right. Being self-insured makes sense financially for companies with over 1,000 employees. With the consolidation that’s taking place across many industries, being self-insured is going to make more sense for many. Then the important thing is the number of employees these companies cover.”
- “Probably not every large, self-insured company is going to be incentivized to add fertility benefits. Fertility benefits are for companies that want to retain their employees. For companies with blue-collar and low-wage workers that are not hard to train and where positions are not hard to fill, even if they are self-insured, offering the benefits is not as compelling. Google [parent company Alphabet], on the other hand, will see an advantage in attracting and retaining highly specialized and good talent.”
- “I think it’s relatively few of these self-insured companies that have a solution in place. I’m guessing it’s less than half.”

Progyny Performance

- “The satisfaction level of Progyny’s customers is pretty high. I would rate it at a 9 out of 10. Progyny does a good job of educating the patients. Progyny guides them through the financial aspects, the benefits, and they educate them as to what to expect. When patients come to me [with Progyny benefits], they are more prepared than the average patient.”
- “Progyny covers most of the care in terms of different treatments and options. They leave the decisions to the patient and the doctor rather than ordering a treatment that requires specific steps from A to B. There’s no complexity with Progyny. Patients can pick what’s right for them without worrying about coverage. This is because Progyny understands fertility. Other companies might not cover some things, or they make it a requirement for patients to try IUI [intrauterine insemination] before doing IVF [in vitro fertilization]. Sometimes it doesn’t make sense for patients to do that, and it just creates additional barriers.”
- “As a benefits company, Progyny is not necessarily different, but they are more developed and mature than their competitors—especially in terms of the patient’s education and journey. This gives them an edge. When the patients come in, they are ready.”
- “Progyny does some things very well. They have patient navigators that help patients along their journey, so the patient has [a] great user experience. Also, Progyny is focused on fertility and working to have better outcomes there. They want to innovate with infertility and think about how to use technology and support clinics. This is one of their differentiators—focusing on fertility and on changing things for the better.”
- “Maven, for example, doesn’t have that much of a focus on fertility. For example, the chief medical officer at Maven is an OB-GYN, while the chief medical officer at Progyny is a fertility doctor. She’s done a great job. She’s a good leader. If you’re going to succeed in this market, you’re better off focusing 100% rather than being broad. That doesn’t mean that Progyny will not grow broader eventually, but for now this is an edge they have.”

Progyny Growth Potential

- “Progyny will be able to keep growing. More and more people are using fertility benefits. They are growing with existing customers, and there are also more employers adding these benefits.”
- “[The path to further growth is] more offerings, expanding their market, and partnerships. For example, if they could manage fertility benefits for existing insurance companies, that would expand their footprint. Additional benefits could include not only menopause, wellness, and men’s health but also healthy eating for children.”
- “The main challenge is that it’s an expensive benefit, and the economic downturn is not helping. Still, I expect the area to be somewhat resilient because it wouldn’t be an easy benefit to take away. It’s not like free snacks at the office, where one day they are there, and the next day they are gone. Taking away fertility benefits at the moment when an employee decides to start using them would make that employee very, very upset. The slower economy might slow the acquisition of new employers, but I don’t expect companies to cancel their contracts.”

Competitive Landscape

- “I think Progyny is the market leader.”

“Progyny will be able to keep growing. More and more people are using fertility benefits. They are growing with existing customers, and there are also more employers adding these benefits.”

Physician at a West Coast fertility clinic

4) Competitors

Four Progyny competitors are upbeat about the state of fertility benefits, expecting significant continued growth, broad and expanding benefit offerings, and adoption of fertility and family-building services across many industries. Two sources specifically confirmed the accuracy of Progyny's published TAM. Sources said the market is in its early stages, with demand being driven both from young workers seeking flexible benefits and companies looking to offer benefits that attract and retain skilled workers while controlling costs. Progyny's guidance for 37% to 39% growth is attainable, said three of the competitors. One said it is unlikely because many of the larger companies already offer some fertility benefits, although they are not comprehensive, high-touch plans. These Progyny competitors offered both praise and criticism of the company's benefits, citing Progyny as an industry leader that generally performs well. Criticism focused on the lack of consistency in service quality between its providers and partners, the lack of flexibility in its service offerings, and the lack of services outside the United States. Two sources said they expect Progyny to expand its offerings to include a broader portfolio of reproductive health services, with one source suggesting that additional partnerships with providers of specific services were likely. The fertility and family-building market is considered highly competitive, with five major players—WINFertility, Maven, Carrot, Kindbody, and Progyny—all considered competent providers. Of note were two sources citing recent opinions regarding Progyny's business and performance evaluation methodology. One negative came from a Wall Street investment firm, [Spruce Point Capital Management](#), and another supportive of Progyny came from an independent review by [Milliman Inc.](#)

Key Silo Findings

Background

- 4 executives with Progyny's key competition.

Market Dynamics

- 4 said the fertility and family-building market is growing rapidly, driven by both employees seeking the benefit and employers looking to recruit and retain talented employees while controlling costs.

Progyny Performance

- Progyny strengths include its market-leading position and adequate performance.
- Weaknesses include its lack of flexibility in its service offerings and limited international presence.
- 1 source noted a Wall Street firm's negative opinion regarding Progyny.
- 1 source responded to that opinion with a positive independent evaluation of Progyny's reporting methodology.

Progyny Growth Potential

- 1 said Progyny's growth guidance is unattainable.
- 3 said Progyny growth expectations can be reached.

Competitive Landscape

- 4 said the market is highly competitive, with Progyny, WINFertility, Maven, Carrot, and Kindbody the key players.

1) Business development executive for a major fertility benefits company in the U.S.

This source perceives the market size about right if it includes major municipalities but does not see where Progyny can grow 37% to 39%. Fertility benefit providers can grow within their base, but it is difficult to grow their base of business to this extent in this marketplace, Progyny's business model is a "center of excellence" approach where it oversees the processes it owns and oversees its own business—a bit of the "fox watching the henhouse." This source believes the leading companies have a "clinical" model where more independent resources are managed clinically by a healthcare professional—typically a nurse—who informs and guides the employee to make better and more cost-effective decisions. This source noted that most companies nationally have infertility benefits. However, a smaller number offer a more robust fertility benefit that includes same-sex parents, LGBTQ+, etc., and a navigation counselor for those employees. Costs per employee observed are \$1.25 to \$2 a month or \$15 to \$25 per year.

Market Dynamics

- "The market size of 8,000 companies with over 1,000 employees with 75 million lives seems about right, but I'm not sure they are including municipalities, big employers, so the potential lives are probably larger. One thousand employees [is] the threshold for going self-insured. This is a benefit that can save money vs. those companies that don't have a fertility benefit in place. Having an 'infertility' benefit does little to control costs."

- “The 10 million lives may be light. WINFertility alone has 7 million lives covered with fertility benefits. I’ll refer you to the Spruce Capital report on fertility benefits earlier this year. The report raises many questions about what Progyny is reporting and their business model.”
- “Hard to answer about the extent to which companies have a fertility benefit in place. The critical issue is fertility vs. infertility coverage. Most health plans provide infertility coverage. Major plans cover these patients to a degree. There typically is not a guidance and high-touch aspect to this coverage, and costs can easily skyrocket with multiple births, and a MICU [medical intensive care unit] stay can exceed \$1 million. There is a maximum benefit, but these are not patients who are diagnosed with fertility syndrome. Diagnosed, then you have fertility coverage. Need a diagnosis of infertility before you can get any coverage. With the fertility benefit plans in place, all you need to say is ‘I want to have children’; then you are covered. It can be same-sex partners, LGBTQ+ patients, etc. These patients do not typically qualify with big-carrier infertility’ coverage.”
- “Vertical coverage, virtually all employers will offer some form of coverage. Infertility coverage is in place broadly. As more of the birth-age generation enters the market, then it’s more important and will be a growing market. Note that fertility benefits is a low-usage benefit. A business of around 1,000 employees may not see a single claim. It is not very expensive. It is less than \$20 [per] year [per] employee—mid-sized company, \$1.25 to \$2 [per] month per year or \$20 [per] year. Half of the fertility issues are a male factor, which are inexpensive to treat. The IVF cycles are very expensive.”
- “One set of twins requiring multiple births and a MICU stay could cost \$1 million. My company has [an] 87% reduction in multiple births with our clinical approach. I don’t believe Progyny’s operational model is consistent with this and these kinds of outcomes. They are not a clinical model.”
- “There is a lot of competition for new benefits such as weight loss, mental health, and others, but this is not a big deal or driving employer decisions. Across the board, there is not a big difference. Any Fortune 500 company has to cover it all. With moderate-sized companies, it often depends on the age of employees. If 50% of employees are over 40, then it’s not a driver. A young employee base in their 30s, then it’s a major consideration. States may mandate coverage, but what does it really mean? [For example] Massachusetts requires [that] employers of a certain size offer some kind of fertility benefit. The mandate in Massachusetts is you have to offer two IVF cycles. If still unsuccessful, they have fulfilled their responsibilities. Many companies will put up a maximum of \$25,000 on the benefit.”

Progyny Growth Potential

- “The fertility industry could have enormous growth, but there are diminishing opportunities. It takes years to get those customers. Growth is steady but not logarithmic growth. The market has grown quickly and is now in an incremental growth stage—step by step. The days of big growth are past. If one company got the federal government or the military, that company would show tremendous growth, but that is the exception. Growth within their customer base but not so much of growing the customer base.”
- “Progyny growth as their management has stated at 37% to 39% is illogical. From where will they get it?”

Competitive Landscape

- “Most companies work on a ‘center of excellence’ model. It has very little to do with clinical benefit but in cycles. Companies focus on each piece of the cycle. [For example] IVF cycle is pretty comprehensive—could use the whole benefit before getting to the baby. That is the model Progyny uses. Progyny requires genetic testing on every patient, where the society of reproductive medicine says it should be done on approximately 34%. If there is no history of genetic problems, it should not be performed. It is a profit generator. In the clinical model, companies like WINFertility, there are checks and balances throughout the process, and each patient is paired with a nurse throughout the treatment. They help to navigate what therapies, drugs, tests, etc. are necessary, which helps to give a better outcome, fewer multiple births, and it controls costs. The ‘center of excellence’ models like Progyny do not have this kind of oversight. It is a bit like the fox guarding the henhouse.”
- “I believe WINFertility is the leading company—26 years—in penetration of the market and growth. It is the clinical model. Progyny does not have clinical oversight—it’s their own clinics, no oversight. The fox watching the henhouse.”
- “Kindbody and Maven and a few others are out there, but primarily Progyny is a competitor and leading force.”
- “Cost is an objection usually raised and is a headwind, but it’s an opportunity to position your product on how you actually save—with the right clinical oversight. [For instance] in NYC, the first year the benefit was put in place, the cost saving to the city was \$31 million. When pharmacy management was implemented—not part of the initial

“Progyny growth as their management has stated at 37% to 39% is illogical. From where will they get it?”

Business development executive for a major fertility benefits company in the U.S.

offering—\$1.2 million a month was saved just on pharmacy costs. Very positive ROI impact on city’s finances. The clinical model—high contact, stay close to the employee/patient, manage the meds—can save thousands per patient for the employer.”

- “Everybody in the industry is looking to broaden coverage into post-pregnancy services, menopause, mental health, other family planning. The growth opportunities in the infertility/fertility market are growing progressively tight. This is where the growth potentially is.”

2) Director of client success at a digital clinic network that competes with Progyny

This source expects the market to keep growing at a high pace and consider Progyny's growth forecast realistic. The growth in the market is driven from both existing customers that upgrade their plans and new customers from various industries. A generational shift in the corporate culture motivates employers to offer better fertility benefits, because younger talents are less loyal and care more about their balanced life and families. The market hasn't hit the saturation point yet, and in the new benefits sales season, employers are looking for more flexible and customizable solutions, which challenges Progyny.

Market Dynamics

- “The market is really big, and it is still poorly covered with proper fertility and parental benefits. I don't have hard numbers, but I think Progyny's estimates are correct.”
- “It may seem that many companies already have programs offering fertility benefits in this or that way. But even those companies could extend their offers by covering more than what they cover today. Only a small percentage of employers offer well-balanced, comprehensive programs.”
- “There is a big room for improvement in many of the programs that are in the market today. For example, many programs cover infertility treatments. But when a baby is conceived, they leave a patient alone. But it's only the beginning of growing a family. Pregnancy, birth, pediatrician care—this is what parents deal with in real life.”
- “I don't think that fertility benefits are more common in one industry or another. They are becoming a standard, and this is a great thing.”
- “I think there is a cultural shift happening in the corporate culture. Unlike Generation X, younger employees are not loyal to corporations they work for, they care about their relationships, and they are family-oriented. Any employer who wants to attract younger talent needs to prove that the company can provide good care for its employees.
- “Many healthcare benefits intersect with fertility benefits, and often they need to go in one bundle. For example, infertility and mental health, pregnancy and mental health. The best way to manage benefits is by understanding the roots of the problem, and this is what our company and Progyny are for.”

Progyny Performance

- “What I've heard from other doctors is that Progyny offers incentives to drive treatment, and it doesn't look good to me. The patient should be in the center of the care program, not incentives.”
- “We take pride in our technologies that allow us to seamlessly connect patients to doctors and medical experts, end to end. And all the steps in between, including insurance companies, are transparent for everyone and easily accessible in real time for patients. With Progyny, it may take weeks until a patient can access all the updates from insurers and clinics.”
- “It is most certain that patients are seeking meaningful benefits, which means benefits that support a patient throughout the journey and for some time after the birth of a child. The demand for that is badly overlooked by many managing companies.”
- “Progyny is doing a great job, but for companies looking for good international support, this might not be the best solution.”
- “I think that some companies, including our company, are more flexible in tailoring plans for each exact patient.”

Progyny Growth Potential

“We expect the market to keep growing for the next 12 to 18 months. The growth will be from both existing and new customers. Existing customers are upgrading their plans to better meet their employees' expectations, and the new customers are coming from many industries and markets. I think the growth numbers [of 37% to 39%] sound realistic.”

Director of client success at a digital clinic network that competes with Progyny

- “We expect the market to keep growing for the next 12 to 18 months. The growth will be from both existing and new customers. Existing customers are upgrading their plans to better meet their employees’ expectations, and the new customers are coming from many industries and markets.”
- “I think the growth numbers [of 37% to 39%] sound realistic.”
- “I think at some point, Progyny may face the situation when its growth is happening at the cost of its inflexibility. It is very important to be able to hear each patient, and it is a challenging task when you grow big.”

Competitive Landscape

- “Competition in the market is real, and the demand today is for flexible, customizable plans.”
- “Progyny is one of the largest companies in the market.”

3) Vice president of a major fertility benefits provider

This executive sees a growing need and demand for fertility benefits, and as costs are all over the spectrum, every CFO should want to bring in a provider to better guide and control outcomes and expenses. Penetration in the market is still low and still early in this market’s life span. Premium costs have risen 5% to 8%. With the pandemic in the rearview mirror, patients are catching up on delayed medical needs, increasing costs and putting additional pressure on budgets. The source perceives Progyny’s center-of-excellence, claims-driven model as the leader, with WINFertility, Maven, Carrot, and Kindbody offering more of a discount model and benefit caps. Progyny is positioned to expand into more women’s healthcare issues. Menopause coverage is a significant need. Progyny will probably partner with another company to bring in this expertise.

Background

- “I’ve been in the medical benefits space for years. Reason: I got into it as the number of my work associates have gone to work with fertility benefit providers like [Quantum](#) [Health Inc.], [CVS](#) [Health Corp./CVS], [ESI](#) [Employee Assistance Group], and a few others.”

Market Dynamics

- “I’m very familiar with Progyny. They run the fertility operation for the patient as a claim. It’s a claim managing with their own network of providers. Many competitors have operational models that are essentially a discount card. There is a lot they don’t cover. Progyny doesn’t cost-cap; they manage to the clinical benefit of the patient and partner with their medical providers. They are a center-of-excellence service provider with the patient until the outcome is reached. Progyny covers different fertility demographics like LGBTQ+. WIN[Fertility], Maven, Carrot, and Kindbody operate with capitation and discount. Progyny operates only as a claim. One in 6 people have a fertility problem globally, according to WHO [World Health Organization], I believe reported by Axios financial news.”
- “Costs are all over the place, and the costs come from different sources across the medical spectrum. Progyny runs the healthcare through companies they partner with or control. They have history with these organizations.”
- “Different models—Progyny owns its own network and specialty drugs. It operates as a center of excellence. That’s unique.”
- “WINFertility is a utilization company; they prevent excessive costs through discounts, and they stop procedures that might be very expensive.”
- “Carrot has a discount card—discount off of the cost of procedures. Not clinical guidance but cost control.”
- “Not sure of the numbers in the market, as stated by Progyny. Progyny has 390 clients of all different sizes—5.4 million members with a 1.4 multiplier; that is, for every member, there are 1.4 covered lives inclusive. Lots of greenfields. Not all employers offer it. Still early days—eight years of real offering as a benefit. WINFertility would say it’s been 20 years.”
- “Companies offering the benefit—it depends on their culture and values. It says a lot about a company. I hope more companies will offer the benefit from a cost conservation prospective. No good CFO can let the expenses go unchecked. It’s too easy for employees to overspend trying to have a baby. Multiple births with a MICU stay can cost hundreds of thousands of dollars, and in the end, the self-insured employer will pay for it.”
- “Interestingly, there is a black market for the drugs. Some patients will have dozens of vials of very expensive drugs that aren’t used. Some by accident, some by design. You could run a claim for 50 vials, use 10, and sell in the black market what you don’t use. Our company has implemented a waste management protocol to control this.”

- “Regarding some of the players in the market, Kindbody has 32 clinics. Locality restricted—you need to live near a clinic to really make it work. They have more of a retail environment. They do massages and often expensive extras and charge the employer. Many times they are located in the middle of a mall, not a very professional setting.”
- “Cost cap, that is Carrot, WIN[Fertility] and Maven. Some clients will put caps in place because they fear employees will overspend and kill their benefits budget. I can see where future employees will be suing employers if a company caps the benefit or applies fees that are not equitable with other companies or what is needed to have a baby.”
- “8% premium renewal increases after a few years of flat premiums due to COVID are now commonplace in the market—5% to 8% increases due to weight loss and specialty drugs alone. Yes, there is concern about the incremental employer costs for fertility benefits competing with the new diabetes and weight loss drugs and other specialty drugs. The COVID bubble burst as the pandemic actually kept expenses low—employees not going to the doctor—and now employees are catching up with their healthcare they avoided for a few years. The result is spiraling new expenses to employers.”

Progyny Performance

- “12% of the market is controlled by Progyny. They have high customer satisfaction. Everyone is chasing their model.”

Progyny Growth Potential

- “Yes, Progyny is positioned to grow into other women’s healthcare issues but probably will partner with others and not build internally. Maybe they’ll partner with [Parsley Health](#), [Midi](#) [Health], and [Gennev](#) for menopause. A mini Progyny for menopause. Part of their full-service ‘center of excellence.’ ”
- “Milliman actuarial services [published](#) a white paper that addresses the ‘fox and henhouse’ argument against Progyny. Milliman verified Progyny’s studies as an independent third party. It concluded that the company’s methodology is reasonable and appropriate.”
- “Growth expectations—consensus 30% growth in Progyny stock.”
- “Hard to assess this selling season vs. last. Don’t hear anything other than good news on new customers and growing demand.”
- “Zacks [Investment Research Inc.] says Progyny is very positive.”
- “Massachusetts has mandated fertility benefits in their state, including no cap/unlimited fertility benefit.”

“Hard to assess this selling season vs. last. Don’t hear anything other than good news on new customers and growing demand.”

Vice president of a major fertility benefits provider

Competitive Landscape

- “Competitive market, more than it has ever been. The five leading companies are really competing and getting their act together and going after the business. WINFertility and Maven are embedded with the carriers so the companies can check the box that they have the benefit, but they are capped. Maven has women’s health centers for light stuff. Carrot is more of the discount provider in your locality. They manage the employee’s money.”
- “Weight loss drugs have the attention, but the costs for fertility are bigger, and you need a company to guide the pieces that go with fertility vs. weight loss. Cancer can be big—a coding issue? I think fertility will grow because the claims continue to grow, and costs can be so big.”

4) Vice president of enterprise sales at a fertility clinic network and benefits provider

This source confirmed Progyny’s estimates of the potential market of 75 million to 80 million lives and believed the market will keep growing by 30% to 40% for the next 12 months. Fertility benefits are becoming a standard across all industries, and the quality and volume of those benefits are growing. Employers are motivated to add fertility benefits because younger employees demand them. Progyny performs well but lacks consistency in the quality of medical services in different areas. The inability to control fertility clinics and other medical partners also prevents Progyny from offering cost-efficient, tailored solutions for employers and eventually could be the problem for Progyny’s further growth in the highly competitive market.

Market Dynamic

- “I think Progyny estimated the market size right; it’s about 75 [million] to 80 million lives that work in self-funded large companies.”
- “The market of fertility benefits is at its early stage, and it will keep growing fast for the next few years as fertility benefits become a standard offer—similar to dental coverage, for example.”
- “The growth will come from all industries and all types of businesses, as long as they are of a certain size.”

- “Relatively high costs of fertility benefits is what prevents smaller businesses from joining the trend. But I hope in some not-so-distant future, we will be able to find a suitable solution for them, too.”
- “It may seem that the unemployment rate is high, so employers should not have any problems with recruiting, but it can’t be further from the truth. It is difficult to find a skilled worker who wouldn’t look for the best benefit package. And if you want to attract younger employees, fertility benefits are a must-have.”
- “The main challenge for benefits providers is to find the solution that meets the needs of employees for a better offer, which often includes more or less standard infertility treatment, and the needs of employers to keep the costs under control.”

Progyny Performance

- “Progyny mostly gets positive feedback from its customers, but in fact, Progyny does not have full control over the quality of services provided in different locations.”
- “Benefit providers who also run fertility clinics have a more transparent way of running this business. Having a network of the best clinics as a part of a deal is a huge advantage for both patients and employers. This is a cost-reducing strategy that does not compromise quality and the volume of services.”
- “The exact solutions of what’s included in the fertility benefits is unique for each employer because there are no two identical companies, and the needs may vary significantly from one company to another. However, in general, after the pandemic, the list of services covered by the benefits programs grew longer, and employers keep adding more and more options there. Indirect costs of not offering adequate coverage are higher than the cost of offering a well-balanced package of benefits.”

Progyny Growth Potential

- “I think all the companies in fertility benefits management are going to grow along with the market.”
- “The average growth of the market for the next year can be anywhere between 30% and 40%.”
- “Progyny should think about how to ensure a consistent quality of medical services throughout the country. The fact that Progyny’s customers in different areas receive medical care that can be very different in terms of quality and availability doesn’t seem right to me.”
- “Because Progyny’s competitors expand services beyond infertility treatment, Progyny will eventually follow and start covering reproductive health in general, as well as menopause care.”

Competitive Landscape

- “The market of fertility benefits is young but already crowded, and the competition is tight.”
- “The ability to meet the demand for the benefits that are both cost-efficient and guarantee the best quality of services is what is going to be important for the next three to five years.”

“The average growth of the market for the next year can be anywhere between 30% and 40%.”

Vice president of enterprise sales
at a fertility clinic network
and benefits provider

5) Sales Channel

Two healthcare sales and marketing professionals had opposite views on the market's appetite for adding fertility benefits. One source said the opportunity is great for employers to add these benefits, as only a limited number are currently providing it now despite employees demanding it. He said that at employer conferences, fertility benefits are a frequently discussed topic. The other source said the market is underpenetrated because of a lack of appreciation for the benefit by employees, while employers are resistant to add it because of the cost. One source commented on Progyny's performance and growth potential, saying that in the source's experience the company has a high employee satisfaction rating. Achieving its growth goals is possible, the source said, if Progyny expands services to address the life span of women's healthcare. This source believes Progyny will partner with other providers to achieve this expansion goal. The other source said employer uptake and growth of fertility benefits will be a slow process. One source was aware of Maven, WINFertility, and Carrot but had little or no experience with them and thus could not comment on their performance. The other source said that Kindbody targeted upscale patients and that Shady Grove Fertility was a network of clinics that work with the national health insurance providers.

Key Silo Findings

Background

- 1 source is a co-op executive helping members secure lower cost and higher value in their health insurance purchases.
- 1 source is a fertility marketing strategist for a drug company.

Market Dynamics

- 2 said the fertility benefits market is underpenetrated.
 - o 1 said there is great opportunity for companies to add fertility benefits; it is a hot topic among employers, and the market is expanding to the point that eventually these benefits will be covered by all employers.
 - o 1 said the market is underpenetrated because employees do not appreciate the fertility benefit, and employers are not adding it because of the cost. Growth will be slow.

Progyny Performance

- 1 said his experience with the companies that have provided the Progyny benefit is that they are satisfied.

Progyny Growth Potential

- 1 commented that 30% growth is likely in fertility benefits in the Southeast. Progyny growth goals can be achieved, but they will have to add services to make that happen. He expects Progyny to partner with additional companies to add services.

Competitive Landscape

- 1 said Maven, WINFertility, and Carrot are competitors, but he has no experience with them.
- 1 said Kindbody is catering to an upscale market, and Shady Grove Fertility clinics is working with national health insurance companies.

1) Executive with a healthcare benefits co-op in the Southeast that links companies to lower costs and more value

This source sees a great opportunity for employers in the Southeast to add fertility benefits, as most are not providing them currently. It is a big topic of discussion in employer conferences whether to add fertility benefits, how much it will cost, and how they might get played by employees just seeking to latch onto the benefit. This source thinks that the vast majority of employers will eventually cover fertility benefits, as more women are in the workplace and working later in life. Regarding Progyny, customers seem to be satisfied with the services—have had no complaints or issues with them. The source thinks Progyny is focused on the health of potential mothers before birth and working to broaden services across the life span of women's healthcare. Progyny is prepared to move quickly into menopause and the issues that accompany menopause. This source thinks Progyny will partner to provide these services. The growth of this market in the Southeast probably has another 30% in it. Progyny could grow to the numbers it has announced but not through fertility alone. This kind of growth would come from expanding into the life span of women's healthcare and menopause in particular.

Market Dynamics

- “I don’t know what the national market is for fertility benefits, but it is a concern for most companies, large and small, as they are working to put together the best benefits packages that they can afford.”
- “Anecdotal, there is still a great opportunity to expand this market as more employees request and demand it, and their employers are working to improve it. In the Southeast region, most companies are not providing these benefits yet, but there is a lot of discussion about them.”
- “Yes, I do believe the vast majority of companies will eventually cover these benefits—just my opinion. In a competitive marketplace, it resets the expectation of what benefits you need to offer, and it is the right thing to do.”
- “Regarding the demand for expensive drugs and their growing cost—like therapies for cancer, diabetes, mental health, and the newer weight loss drugs—fertility benefits are not getting squeezed out; not a factor yet. Our region, the Southeast, you must cover the GLP-1s. Key for the employer is ensuring the right people are getting these drugs and not being used as ‘lifestyle’ supplements. Haven’t heard about fertility not being covered because of the tradeoff.”

Progyny Performance

- “We only have a few customers using Progyny, but they seem to be very satisfied. No complaints. We don’t have enough history with WINFertility, Carrot, or Maven to make any comparisons, but Progyny seems to be getting it done for those who are using them.”
- “Here is where I see Progyny is going. Progyny is looking to broaden into women’s healthcare across the board. Definitely will add menopause benefits. Focused to optimize women’s healthcare before birth as well. All that happens after birthing years—the mental health, weight gain, menopause, they will be very involved in. Wasn’t so important in the past, but as we work later in life, it is very important. Progyny is developing across the life span. Will partner most likely with another company to make this happen. One of their great features is they have the outcomes on fertility with their providers across the entire fertility operation—all steps. For employers to add this, fertility can be expensive. Progyny will say you may already be paying and not be aware of how much you are paying.”
- “For a while there was a concern with some employers that people will work for you because you have the fertility benefit, and it will cost you more. They will seek you out. People leave their employers and come to you and will escalate your costs. Attractive but expensive. If you have many openings, you will be looking to attract and retain—a good thing. It is the right thing to do if you can afford it.”
- “I do see a big move to these kind of benefits across the life span for many companies. Great opportunity for companies and progressive companies in particular. It is a big topic in employer conferences. I do see this as an expanding market and opportunity.”
- “You can get the outcomes of these fertility experts; it is publicly available information. Very positive approach for Progyny vs. a ‘discount card’ like many of their competitors. Progyny claims it gives the highest quality and the most cost-effective outcomes. They can look at those specialists outside of their network vs. their own and make their case with a potential customer.”

“I can see this market growing another 30%—[I] believe there is another 30%-plus out there, growing across women’s healthcare, as we discussed. Don’t know if they can do this on fertility alone.”

Executive with a healthcare benefits co-op in the Southeast that links companies to lower costs and more value

Progyny Growth Potential

- “I can see this market growing another 30%—[I] believe there is another 30%-plus out there, growing across women’s healthcare, as we discussed. Don’t know if they can do this on fertility alone.”

2) Marketing strategy manager in fertility with a major pharmaceutical company that sells to fertility specialists and fertility clinics

This source believes few companies have real comprehensive fertility benefits programs in place due to costs and a lack of appreciation of the benefits to their employees. Startups where recruiting and retaining top employees are top objectives leverage these benefits. More companies are shortsighted due to costs and the lack of an accepted algorithm for successful outcomes. The 20 states mandating fertility benefits typically do not direct a minimum benefit that must be offered. This source perceives uptake and growth will continue to be slow, and until employers experience losses due to poor employee retention or increased insurance costs resulting from multiple births, this trend will continue.

Market Dynamics

- “Extremely minimal the number of companies that have a comprehensive fertility program in place. Smaller startups are attracting younger employees who have put off starting a family. The big reason the numbers of companies and insured lives are low is the cost and increase in their benefits’ finances and the lack of what they see as algorithm to have fertility success across a range of employees. Different from other health benefits—i.e., diabetes and heart disease. There is no ‘one size fits all’ algorithm for fertility. More states are demanding coverage, but even there the coverage limits are not stated, and they don’t have much teeth. It’s still a cash business. Fertility clinics want insurance coverage, but that reduces their margins, so [they] ultimately prefer cash where they aren’t as financially squeezed as a benefits provider will do.”
- “Regarding all companies eventually providing fertility benefits, no, they won’t. Uptake will continue to be slow. Progressive employees will go out on their own and pay cash. It is expensive.”
- “Many companies just don’t care to offer this benefit until it hits their pocketbook. They overlook the financial consequences of excessive twin pregnancies. Recruiting and retaining the best people too often overcome by the cost of increasing the cost of their employee benefits. Senior leadership often just does not get it.”
- “Regarding the IVF clinics that are expanding throughout the country, they are very cutthroat clinic to clinic.”

Progny Performance

- Did not know.

Progny Growth Potential

- Did not know.

Competitive Landscape

- “Kindbody clinics are marketing to the upscale patient. Patients commit to a down payment, an upfront payment, and they will give you all the bells and whistles. It’s expensive.”
- “Shady Grove Fertility IVF clinics are a nationwide network that works with national plans but don’t specifically work with specialty fertility benefit providers.”

6) Industry Specialists

Three industry specialists—a fertility coach, doctor, and advocate—said the market for fertility services is vast. Two suggested that Progny’s published TAM is accurate or is likely even larger than it estimates. They also think Progny’s growth will continue, with one saying meeting its growth goals is possible because of the overall growth in the fertility sector. Another source suggested growth will continue despite the headwinds caused by the lack of standards in the sector and the high cost of the benefits. The third source said additional services will need to be offered to drive continued growth. Progny is considered the leader in the fertility market, as it is the more established provider with the most robust offering. However, one source said the quality of Progny’s services depends on the quality of the provider or partner delivering the service. The fertility benefits market has become highly competitive, with Carrot, WINFertility, Maven, and Kindbody all offering exceptional services. Sources expect all these providers to continue to add services to meet the unserved needs of employees in various stages of family building.

Key Silo Findings

Background

- 1 source is a life and fertility coach.
- 1 is a fertility doctor.
- 1 is a fertility advocate.

Market Dynamics

- 3 said the market for fertility services is large, and demand is growing.
 - o 2 said the market is likely larger than Progny’s estimated TAM of 8,000 companies.
 - o 1 said the market size is incalculable because up to 90% of the workforce could benefit from some form of fertility or related service.

Progny Performance

- 3 said Progny is the market leader.
 - o 1 said Progny has the most robust offering; however, it still must improve with more personalized services and support.

- 1 said Progyny's services are good, but performance depends on individual providers and partners, which are difficult to hold to high standards.
- 1 said Progyny is the most established provider in the fertility space.

Progyny Growth Potential

- 1 said Progyny's growth projections are attainable because of the growth in the fertility sector.
- 1 said Progyny's growth will continue despite headwinds from the lack of standards in the fertility space and the high cost of the benefit.
- 1 said Progyny can continue to grow by adding additional services and creating an offering for small businesses.

Competitive Landscape

- 2 identified Progyny and Carrot as the market leaders.
- WINFertility, Maven, and Kindbody are also considered viable competitors, However, one source said Kindbody was struggling.

1) Abbe Feder, certified life and fertility coach and founder of [InCircle Fertility](#)

The addressable market for Progyny and other companies providing fertility benefits management is much higher than 8,000 companies. It is not only companies over 1,000 employees that need benefits. The number of large companies providing benefits is growing significantly every year, having grown from about 10% five years ago. These companies are in every industry, not just technology. The "great resignation" has been motivating employers to offer these benefits to attract and retain employees. Smaller employers are held back from making these offers because of the high cost and because sometimes fertility benefits are deemed superfluous, although in reality they are not. Progyny is among the top three competitors along with Carrot and WinFertility. Progyny has one of the most robust offers. However, many of these companies need to rethink their offering to be more compassionate, tailored, and flexible so that it's not a one-size-fits-all approach. Carrot seems to be one of the most flexible and well-rounded ones, but many of their coaching clients still come to her for coaching. Progyny is going to continue to grow because infertility is a medical condition that has to be treated in the same way as other diseases like diabetes are treated. The challenge to having wider adoption is the high cost and having in place the right human resource teams capable of bringing on these benefits. There is a great deal of competition among the companies that manage these services.

Background

- Certified life and fertility coach who often works directly with employees getting these benefits.

Market Dynamics

- "The addressable market is far greater than anyone could count. It's not only companies with over 1,000 employees that need benefits. Larger companies might be the ones able to provide these benefits, but if you add in smaller companies that would like to provide fertility benefits to their employees, the number will be much higher than 8,000."
- "About 40% penetration [according to some articles] sounds about right. The number of companies that have solutions is increasing rapidly, though. About five years ago, when I started my own journey, it was closer to only about 10%."
- "It's a mix of employers that offer benefits. It's not any particular industry, and there is no protocol for any particular company. It has to do more with how human resources at each company communicates with their employees. It's just the tech industry."
- "I hope all employers will eventually offer these benefits. There is legislation mandating certain states to offer coverage, but it doesn't mean that the coverage has to be good. Decisions are made at insurance companies on what those benefits are going to be, but sometimes they are completely out of touch with what the patient might actually need. Offering the benefits might cross something off their list of what they feel they should do, but it might not actually be providing a benefit."
- "The motivation to employers is, of late, the 'great resignation.' Employers work hard to retain employees and offer competitive benefit packages. This applies to larger-scale companies. Smaller ones, too, would like to offer fertility

"About 40% penetration [according to some articles] sounds about right. The number of companies that have solutions is increasing rapidly, though. About five years ago, when I started my own journey, it was closer to only about 10%."

Abbe Feder, certified life and fertility coach and founder of InCircle Fertility

benefits, but unfortunately, some people look at this as a luxury benefit offering. It shouldn't be considered that way, but the way the companies are charged for them, they are looked at as superfluous."

- "Fertility benefits should be regarded the same way as other benefits. Infertility is a diagnosed disease and should be treated as such. It's treated as more of an optional thing, not a basic right of every individual to be able to pursue family building. Just like nobody wishes they had cancer, nobody wishes they had infertility. They would like to get the medical help they need to address infertility. It's not a luxury. Nobody undergoing fertility treatment wants it just like nobody getting diabetes treatment wants diabetes treatment. It's something they have to do."
- "With society and legislation making advances, employers make decisions about what things they need to provide coverage for. It just takes a very long time."

Progyny Performance

- "Progyny is part of the top three competitors. They have one of the most robust options. However, many of their patients don't know how to best use the benefits because they are a little confusing. Progyny determines what constitutes a cycle or half of a cycle. They say when it is you can finish up a round of treatment using their benefits or when you might have to wait for another round. If you're in between, and they decide that it's not counted in what they deem a cycle, it doesn't get covered. That can be very frustrating for the patient because it's not a one-size-fits-all approach. I don't think Progyny offers the flexibility that's needed, whereas some of the benefits companies do offer that. Carrot seems to be the most flexible."
- "From my perspective as a fertility coach, all these companies like Progyny, Carrot, and WinFertility claim to offer mental health resources, coaching of various kinds, on-call and on-demand support. But at the end of the day, many of their clients come to me. To me, that means there's a gap that's not being met."
- "These companies decide in some room somewhere the best course of treatment and support, and it's not actually the best course of support. This is because it needs to be a very tailored approach, and each case is different. It's not one-size-fits-all."
- "Employers are definitely looking for broader solutions than just fertility benefits—not as many as I would like to see, but the larger ones realize that there are much broader needs. Companies [are] hiring experts to address these needs."
- "I understand that Progyny is working to bring those [additional services around post-pregnancy care and menopause]."

Progyny Growth Potential

- "I can only imagine Progyny continuing to grow because of the trends and because infertility is not going anywhere. There will always be need for ways to support people with infertility."
- "[I imagine Progyny's growth guidance is possible.] Yes, the growth [of this sector] is excellent; and the more it grows, the more tailored it needs to become. I hope they realize that as they grow, not just Progyny but all the fertility benefits companies. It's great that they're doing it, but now we need to go back and fine-tune exactly what is being offered and the best ways to support it."
- "The challenge is mostly based on cost. Behind that is management style and skills, having the right team in place to be able to handle bringing on these niche benefits, and discussing them with employees. Costs need to come down, but each company is different."
- "Instead, there's a need for a more compassionate approach for the actual problems facing the individual couple, as opposed to a blanket statement or a blanket rule or a blanket plan that might not fit everybody. For example, there are benefit companies that ask you to do six IUIs before they start paying for IVF. This is not Progyny, but it's an example. Some people don't need to do an IUI, but they have to physically and emotionally go through the motion of six IUIs, knowing they're not going to get results and just so they can cross it off their insurance requirements and move on to IVF. It's a huge cost to the insurance company. If they were actually taking a tailored plan into consideration, they could be saving money and bringing down the overall cost of fertility benefits."

Competitive Landscape

- "This is a very competitive area. From going to fertility and medical conventions, I get the impression that everyone feels they have a big stake in the game, and they are going to grow significantly. Everyone thinks they have the best platform."
- "From my experience with my clients, Carrot seems to be the most well-rounded company—with the caveat that they claim to offer coaching services and mental health support, but if it's actually what the patient needed, they wouldn't also be coming to me."

- “Specialists in infertility are very important, and I wish these companies weren’t just adding a nurse who happens to work in a fertility clinic who might not have ever gone through fertility treatment herself. That kind of support is not that supportive.”
- “WinFertility is also one of the top three companies. It’s broad and offers a good amount of services.”
- “Some of the other companies are growing so fast and trying to meet the demands of their venture capitalists that it’s actually at the disservice of their clients. The venture capitalists become more important than the actual patients.”

2) M.D. with experience in fertility and the entrepreneurial space

This source thinks Progyny’s addressable market is probably around 8,000 to 10,000 self-insured employers, in line with the source’s own estimates. Progyny and Carrot are the two leaders in the space. Progyny can keep growing by going after more self-insured employers and by expanding to states where fertility benefits are not mandated. Progyny’s satisfaction level is good but varies by clinic and provider. There are many challenges to more widespread adoption of fertility benefits, primarily because there is no universal clarity on what should constitute fertility benefits and infertility treatment. Male fertility and surrogacy are often ignored. There is also a shortage of fertility doctors.

Background

- M.D. in fertility space with experience in entrepreneurial space.

Market Dynamics

- “In terms of the major self-insured employers, Progyny’s estimate of their market is fairly accurate. I would think it’s probably in the 8,000-to-10,000 range. In regard to the millions of lives covered, 1 in 6 women are going to have problems with infertility.”
- “The market is going to be growing. Only certain states have mandated coverage, and there’s a push outside of that. Employers are incentivized to add this coverage, and that is only going to grow. The market will include self-insured companies as well as fully insured ones.”
- “It’s hard to say what percentage of the target already has a solution. Progyny and Carrot own this market.”
- “We are starting to see another trend where the focus is not just on the reproductive years but also post-reproductive, like menopause. Menopause has become a hot topic among employers. Some companies have a menopause offering, and I could see Progyny [and Carrot] going into that market. There are also companies trying to capture the whole maternity journey, not just the fertility process. Companies can save money on healthcare costs if they include a woman’s healthcare benefit during pregnancy and after. Maven is a company that has this kind of offering.”
- “Progyny does more care coordination and patient counseling rather than direct services. I don’t think Progyny will want to become a provider of services, which is what Maven is. However, I think Progyny might want to expand their services to include covering pregnancy care and delivery and potentially working with a company that does that. It would be challenging for Progyny to start offering pregnancy care. I don’t know if they would be willing to invest in that.”

Progyny Performance

- “[The satisfaction level of Progyny customers] varies according to the clinics you go to and the providers. It’s challenging for a company like Progyny to do quality assurance and ensure that the clinics and providers in their network are meeting their standards and satisfy all patients, that their success rates should essentially be on par with what they expect.”
- “Customers are satisfied with the coverage they are getting. Even though a patient has a benefit, some payers make it hard for the patient to claim the benefit. That also accounts for customer satisfaction.”

Progyny Growth Potential

- “I think there are still more self-insured employers that Progyny can still go after. It would be interesting if they started to expand to fully insured businesses. If they have a midsingle-digit percent of their market opportunity, as they estimate, they can probably keep their business model over the next five years or so.”
- “There’s huge disparity between the states that mandate fertility care, and they could push into the states where the mandates don’t exist and fully insured employers don’t need to offer fertility benefits. Progyny could expand their offerings in those states.”

- “There are so many [headwinds challenging widespread adoption of fertility benefits]. One of the challenges is that people still think this is a woman’s issue, but the male factor can also influence the ability to conceive. There are also challenges around third parties, surrogates, and donors because most insurers who cover IVF services have exclusion criteria for surrogates. Some of the mandates even exclude same-sex male couples. There are a lot of disparities.”
- “The challenge is that it is very confusing. There is no standard, and many of the laws are open to interpretation; and patients have to jump through hoops before getting coverage for some things, like requiring semen analysis first or three IUIs before they even consider covering an IVF cycle. It’s all very confusing information, and it can be hard to get from a payer. It needs to be clearer. Different insurance representatives will say completely different things.”
- “There is also a huge supply-and-demand issue. There aren’t enough fertility doctors. It’s great that more lives are being covered, but it also adds pressure. We see this in Canada, where insurance covers IVF, but the waitlists are very long.”
- “I think Progyny’s and Carrot’s business models are smart. It’s smart for employee retention, and I think for that they will continue to grow.”

“I think Progyny’s and Carrot’s business models are smart. It’s smart for employee retention, and I think for that they will continue to grow.”

M.D. with experience in fertility and the entrepreneurial space

Competitive Landscape

- “Carrot is Progyny’s main competitor. They are the two companies that own the space for employers. Kindbody is also trying to enter the market, but they don’t have the highest success rates. Progyny has cornered most of the market. Carrot is also doing very well.”
- “Progyny itself does not provide services. They have more of a traditional insurance model. To be in their network, they have certain criteria that their fertility products have to meet. Carrot is similar, where they have Carrot-approved fertility clinics where they have done due diligence. Progyny also does something similar where they are trying to guide their users to clinics where the outcomes will be better. Kindbody is struggling because they are in direct competition with providers that are preferred providers to Carrot and Progyny.”

3) [Brigitte Adams, fertility advocate](#)

The market for fertility and family-building benefits has many nuances to it because it is not only made up of women or couples with infertility. It also includes the LGBTQ community and single mothers. If benefit providers like Progyny want to continue to grow, they need to adapt to a workforce of millennials who are very proactive and will also want coverage of things like egg freezing, egg donations, and mental health in their benefits. Covering menopause and other stages of a woman’s life, including helping create the infrastructure for child care, also need to be considered by companies like Progyny. While the fertility benefits market is currently for large companies, offering these services to small and medium employers who could form a collective for insurance purposes will help the providers grow.

Background

- Influencer, keynote speaker, strategist.

Market Dynamics

- “The market size is really incalculable. There are so many nuances to it. It’s not just about fertility benefits for a population of women. True fertility benefits should be for a population that includes the LGBTQ community, single moms like I was, and people that want to adopt or maybe use a surrogate. I would say 1 in 8 couples are infertile, and if you’re defining fertility benefits, it is not just for infertile women. It’s about all the ways of building a family. It can almost include 90% of the workplace.”
- “Right now, the market is for large companies who have the money to pay for these benefits, and that’s where it’s starting. But hopefully it will get to the point where there are collectives of smaller companies or even consultants doing it.”
- “Progyny is pretty inclusive, but there are fertility companies that only help heterosexual couples that have been trying for X number of months to get pregnant. These can theoretically market themselves as providing fertility benefits. However, it’s a narrow view of the meaning of ‘fertility benefits.’ ”
- “Millennials today grew up in an age of egg freezing and are more proactive if they fall under an infertile label. Women are going to be more picky about which companies they go to work for, and they are not necessarily going to choose enterprise-size ones.”

- “In my research, I’ve found that large companies that have added fertility benefits have generally not seen a cost impact from it. It’s a win-win for many reasons because it’s not everybody at a company that will utilize fertility benefits if they are offered.”
- “There’s more discussion today of all these topics. When I froze my eggs in 2011, no one was talking about it. Now there is also more discussion of mental health and menopause. Society has changed. People realize they have to have careers even if their biological clocks are moving forward.”
- “It’s going to start with tech companies, lawyers, large employers, and the companies that have the money to do this, where women have to work long hours. Hopefully there’s going to be a trickle-down effect where more and more workplaces are going to see this as a way to attract the kind of workers they want.”

Progyny Performance

- “Progyny is more established than many of their competitors. Carrot and Kindbody are more focused on the consumer, whereas Progyny links directly to HR, so it’s more of a B2B play. Carrot and Kindbody are more out there in terms of marketing and being in front of consumers, while Progyny might be called more old guard.”
- “Maven is one of the top companies.”
- “Fertility is as much of a mental health challenge as a physical one. This is something that people who have dealt with fertility issues know, but this aspect can get lost when you look at fertility benefits in the workplace. People going through the process of starting a family need mental support as much as physical support for the process.”
- “Companies offering fertility benefits need to have a patient advocate. Otherwise, there’s no point in offering the benefits.”
- “If I had a crystal ball, I would say all these companies are going to start covering menopause if they haven’t already.”
- “Right now, fertility is the hot topic, but it’s only one stage of a woman’s life. Maternity, motherhood, and being able to have a full-time job are also equally important stages. As is menopause. Companies need to look at fertility and menopause both to have a comprehensive women’s health plan.”

Progyny Growth Potential

- “Leading benefits companies can grow with adding egg-freezing benefits for small and medium-size businesses that maybe form collectives or blocks for insurance purposes. Egg donation is another area. The industry can also grow if they add menopause. The messaging should be that the benefits are for the whole woman. Fertility, mental health, menopause are not just stages. Abortion is a controversial topic in the U.S. but could also be addressed in terms of benefits.”
- “There is a marketplace for Progyny [and others] to grow. It’s basically a market that started at zero just a few short years ago.”

“There is a marketplace for Progyny [and others] to grow. It’s basically a market that started at zero just a few short years ago.”

Brigitte Adams, fertility advocate

Competitive Landscape

- “This is a hugely competitive area. There is no infrastructure in the U.S. for women with young children and careers. Companies should be looking at ways to help women find balance. Women are looking at the private sector to do it because the public sector has failed them. The impetus is on the private sector and companies like Progyny that can help provide care and fertility benefits to companies. Most women would rather have the infrastructure in place, but because they don’t, they are going to focus on companies to help them.”

Secondary Sources

These two secondary sources focused on Progyny being named the one of the best fertility insurance providers in 2023 and survey results from a Progyny competitor, WINFertility.

April. 18 Investopedia [review](#)

Progyny is rated best fertility insurance company for assistive reproductive technologies in 2023

- “Fertility insurance covers the diagnostics and treatments necessary to help potential parents who are struggling to conceive or carry a child to term. Fertility insurance isn’t usually a separate health insurance policy but is covered under health care plans by many health insurers.”

- “Twenty states had laws requiring health insurance providers to cover fertility treatments in 2022, but not all insurers do so because it’s not required in all states. Some cover a limited number of treatments or only certain types of procedures, which can leave you unprotected as infertility affects about 9% of men and 11% of women.”
- “To determine the best fertility insurance providers of 2023, we evaluated 12 major health insurance companies, considering the following criteria: coverage for diagnostic testing and multiple treatment cycles, deductible options, available resources, plan focus on fertility treatment and care, company reputation, customer service options, customer satisfaction record, the claim filing experience, state availability, and cost.”
- “Best Fertility Insurance for 2023”
- “Best Coverage: UnitedHealthcare”
- “Best IVF Treatments: Cigna”
- “Best Additional Resources: Aetna”
- “Best for Assistive Reproductive Technologies: Progyny”

March 8 HR Daily Advisor [article](#)

WINFertility CEO Roger Shedlin is interviewed regarding a recent survey the company conducted in support of International Women’s Day.

- “It’s International Women’s Day, so here at HR Daily Advisor we’re highlighting an important topic that isn’t discussed enough: fertility and family building benefits. While these types of benefits have gained much-needed attention over the past few years, organizations can do more to help their employees throughout every stage of their family building journey.”
- “In support of International Women’s Day, WIN—a leading family-building benefits provider—conducted a survey to get a deeper look at impacting factors behind the uniquely personal decisions related to motherhood, particularly the choice to wait until after the age of 35.”
- “The survey revealed that 30% of women surveyed (age 35-plus) would not consider fertility treatments, such as egg preservation, in vitro fertilization (IVF), adoption, or surrogacy because of the high cost. However, majority (81%) feel it’s important that an employer provides fertility benefits and support.
- “We recently connected with WIN’s CEO, Roger Shedlin, to discuss how employers are making family-building more affordable, what benefits are being sought after, and more.”
- “Can you discuss a few key findings of WIN’s recent study?”
- “RS: Unsurprisingly, lifestyle and finances were major considerations that impacted women’s decisions. By waiting to enter motherhood after 35, 93% of women indicated they accomplished goals related to lifestyle or finances. Top reasons for postponing motherhood until 35-plus included relationship status (53%), lifestyle (45%), finances (44%), and career goals (36%). Women who waited pointed to accomplishing milestones such as improving finances, becoming homeowners, furthering education and career, and traveling because of their choice.”
- “Women also often feel personally concerned about their ability to conceive and the challenges associated with having children later in life. In fact, 74% of women were concerned about their ability to have children after 35-plus from a fertility standpoint, and 42% of women said they had a more challenging time getting pregnant because of waiting. Support is critical to the family building journey; 82% of women said they were open to sharing their decision to wait to have children until age 35-plus years old.”
- “Finally, while fertility education, testing and treatments are critical to allowing women to feel reassured in their decision to delay motherhood, cost is a major barrier. Thirty percent of women would not consider fertility treatments due to financial cost, therefore 81% of women feel it is important that an employer provides fertility benefits and support.”
- “How are employers making family-building more affordable?”
- “RS: Employers from a broad range of industries and geographies have seen that offering an inclusive family building benefit helps to recruit and retain a talented and diverse workforce and improve productivity. To achieve the highest ROI on their family building benefit dollars, employers are providing managed solutions that include nurse-supported reproductive clinical advocacy, tech-enabled patient support, and broad specialty networks encompassing the highest credentialed double-board certified reproductive endocrinologists instead of merely offering a fertility benefit. These managed family building solutions are designed to deliver superior clinical outcomes, such as higher pregnancy rates with the fewest complications.”
- “What specific benefits are being sought after?”

- “Over the last few years, with the tight labor market and increased focus on DEI, we have seen family building benefit packages become larger, broader, and more inclusive. Lifetime maximum benefit limits of \$50,000-plus have become more common, with some employers providing unlimited benefits. More recently, employers have transitioned from offering infertility coverage to a broader family building benefit encompassing surrogacy, adoption, and fertility preservation (e.g., egg freezing). Companies are also making benefits more inclusive by waiving the clinical definition of infertility, allowing same sex couples and single by choice intended parents to access these benefits.”
- “Is there anything else you’d like to add?”
- “WIN’s survey results reinforce demographic, economic, societal, and clinical trends of intended parents increasingly turning to assisted reproductive technologies and other family building support solutions to help people start and grow families. Increased employer coverage of these services shows that organizations recognize the appeal and increasing utilization of family building solutions and are structuring their benefits to meet this growing need.”

Additional research by Eugenia Vlasova, Eva Cahen and James Boland.

The Author(s) of this research report certify that the information gathered and presented in this report was obtained in accordance with Blueshift Research’s compliance protocols as outlined in the company handbook. All Blueshift reporters identified themselves as reporters/researchers from Blueshift Research and articulated the purpose of the research. To the best of our knowledge and efforts, Blueshift confirmed that the underlying source(s) lawfully obtained the information shared with Blueshift and were entitled to provide such information to Blueshift without breaching a duty to another party. The data in this report has undergone review from Blueshift Research’s Compliance Officer and has been approved for distribution to Blueshift Research’s clients.

© 2023 Blueshift Research LLC. All rights reserved. This transmission was produced for the exclusive use of Blueshift Research LLC, and may not be reproduced or relied upon, in whole or in part, without Blueshift’s written consent. The information herein is not intended to be a complete analysis of every material fact in respect to any company or industry discussed. Blueshift Research is a trademark owned by Blueshift Research LLC.