

# Medicaid 1115 Family Planning Demonstration Waiver Programs

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Twenty-seven states have received Medicaid 1115 demonstration waivers to provide family planning services to individuals not otherwise eligible for Medicaid or the State Children's Health Insurance Program (SCHIP). Two other states have applied for waivers. This updated *State Health Policy Monitor* examines the status of these waivers, and provides a brief overview of eligibility guidelines and benefits. Additional NASHP publications examine specific waiver design features, and explore topics such as cost savings and the impact on health outcomes.<sup>1</sup>

States have sought Medicaid family planning waivers for a number of reasons. By using Medicaid funds to provide family planning services to uninsured low-income women, states can reduce rates of unintended pregnancy and improve maternal and child health.<sup>2,3</sup> Moreover, since Medicaid pays for more than one-third of births in the U.S., providing family planning services to women otherwise eligible for Medicaid pregnancy-related coverage yields significant cost savings from reduced pregnancy-related and newborn care.<sup>4</sup> These expansions are also highly cost effective for states, since the federal government covers 90 percent of the cost of family planning services and supplies, as opposed to the 50 to 77 percent federal match on most other Medicaid-covered services.

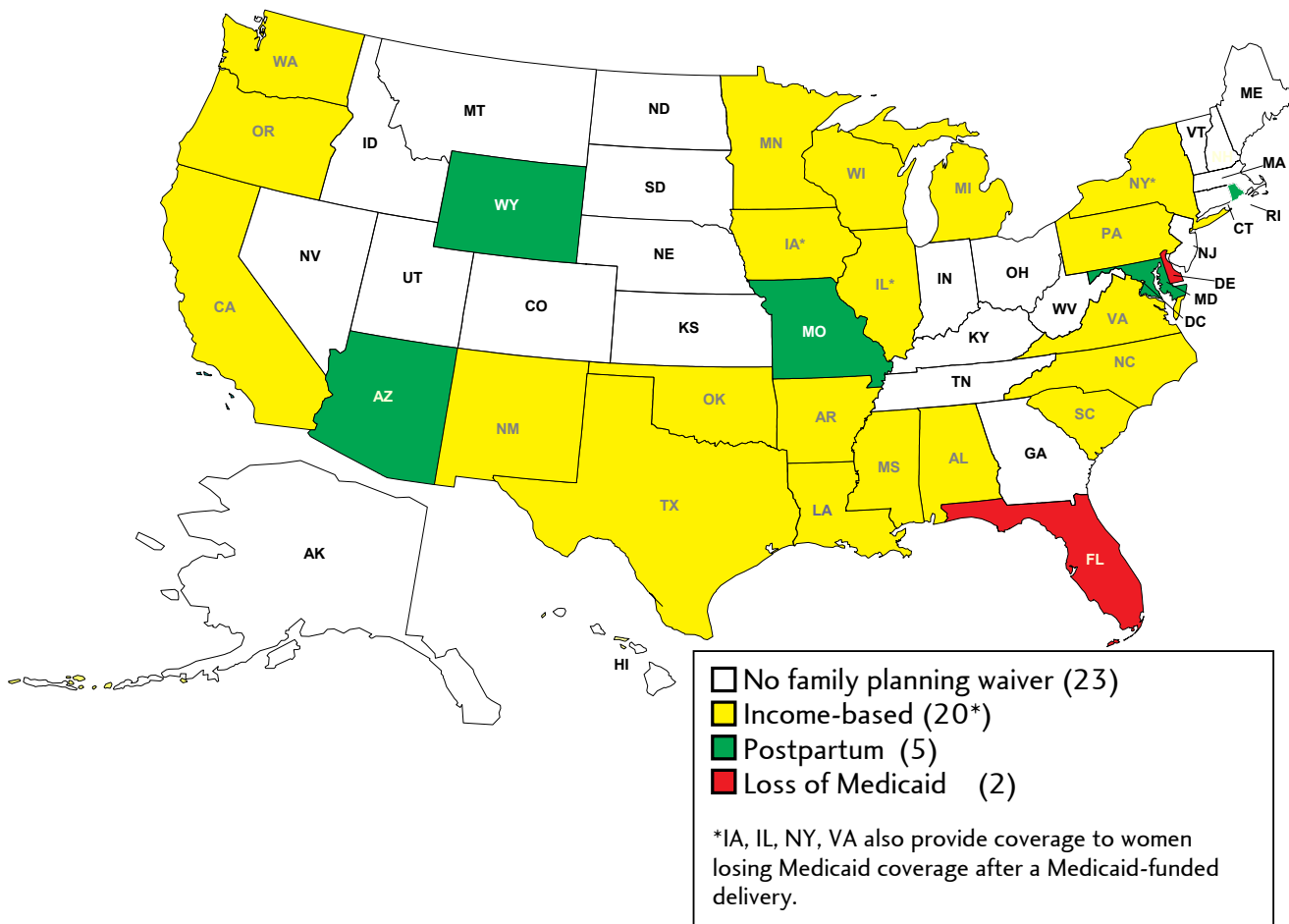
However, family planning expansions can also be a challenge for states. In order to implement a Medicaid family planning waiver, states must go through a lengthy application process for approval from the Centers for Medicare & Medicaid Services (CMS). This includes providing complex savings estimates showing that the expansion will not increase federal spending ("budget neutrality"). In response, members of Congress have introduced legislation allowing states to provide Medicaid family planning services to certain populations not otherwise eligible for Medicaid without a waiver.<sup>5</sup>

Further challenges persist after waiver implementation. In some states, eligible individuals are enrolled automatically in the program when their Medicaid coverage ends postpartum. However, that strategy can result in too few beneficiaries using services. In other states where eligibility is based solely on the individual's income, the state may have difficulty identifying and educating eligible individuals about the program and facilitating their enrollment.

## ELIGIBILITY

Individuals meeting certain criteria who are not otherwise eligible for Medicaid can receive services

**FIGURE 1: 27 STATES HAVE IMPLEMENTED MEDICAID FAMILY PLANNING WAIVERS**



under Medicaid family planning waivers. While specific criteria vary by state, states use three types of eligibility (see Figure 1):

**Income-based (20 states):** These states provide family planning benefits to individuals based on income level, generally at or below 185 percent or 200 percent of the federal poverty level (FPL) – Alabama, Arkansas, California, Illinois, Iowa, Louisiana, Michigan, Minnesota, Mississippi, New Mexico, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Virginia, Washington, and Wisconsin.<sup>6</sup>

**Extending postpartum coverage (5 states):** States are required to cover pregnant women at or below 133 percent of the FPL (and allowed to cover women even at higher incomes) under Medicaid, including 60 days postpartum, after which many women become ineligible for Medicaid. Some states provide family planning benefits to women whose Medicaid coverage ends postpartum, generally for

an additional two years. These states are Arizona, Maryland, Missouri, Rhode Island, and Wyoming.

**Following loss of Medicaid coverage (2 states):** Delaware and Florida provide family planning services for two years after losing Medicaid for any reason.

Eight states provide coverage to men as well as women (California, Minnesota, New York, North Carolina, Oklahoma, Oregon, Virginia, and Washington), while ten states limit coverage to adults, beginning at age 18 or 19 (Alabama, Illinois, Louisiana, Michigan, New Mexico, North Carolina, Oklahoma, Pennsylvania, Texas, and Wyoming).

## COST SAVINGS

State and national evaluations have shown that Medicaid family planning waivers can produce significant cost savings for states through reduced rates of unintended pregnancy and improved health outcomes. A 2003 evaluation of six

states, commissioned by CMS, found that all six states not only met Section 1115 budget neutrality standards, but also realized millions of dollars in savings to state Medicaid programs.<sup>7</sup> Recent studies have made similar findings of substantial cost-savings for states through Medicaid family planning waivers. One national study concluded that states save \$4.02 for every \$1.00 they spend on family planning waivers.<sup>8</sup> Individual states have also reported significant cost savings.<sup>9, 10</sup>

- Sexually transmitted disease (STD) testing when performed as part of a family planning visit.

Services available to men may include contraceptive supplies, vasectomies, and STD testing.

Some states also cover closely related care for family planning-related conditions identified during the course of a family planning visit, such as treatment for STDs. However, states only receive reimbursement for these services at the regular federal match rate.

## BENEFITS

States cover a range of family planning services under Medicaid expansions, including the following family planning services that the federal government reimburses at an enhanced 90 percent Medicaid match:

- Contraceptive services and supplies;
- Contraceptive counseling and information;
- Office visits, consultation, examination, and medical treatment;
- Family planning-related laboratory examinations and tests; and

## ACCESS TO PRIMARY CARE

Since 2001, CMS has required states to promote access to primary care services for individuals enrolled in family planning programs, in recognition that enrollees may have medical needs beyond the limited benefits available through the waiver. To meet this requirement, states arrange formal partnerships with and referrals to community health centers and primary care providers; they also educate and inform enrollees about health care programs for the uninsured.

## NOTES

1 These issue briefs are available at: [http://www.nashp.org/\\_docdisp\\_page.cfm?LID=9D8D9A9A-BF45-42DD-91723CC247FD7D6B](http://www.nashp.org/_docdisp_page.cfm?LID=9D8D9A9A-BF45-42DD-91723CC247FD7D6B).

2 J. Edwards, J. Bronstein, and K. Adams, "Evaluation of Medicaid Family Planning Demonstrations," The CNA Corporation, CMS Contract No. 752-2-415921, November 2003.

3 E. Hall and M. Berlin, "Using Medicaid to Support Preterm Birth Prevention: Five Case Studies." Prepared for the March of Dimes. May 2004.

4 State and national evaluations have shown that Medicaid family planning waivers are highly cost effective and have positive impacts on health outcomes. A 2003 evaluation of six state programs, sponsored by the Centers for Medicare & Medicaid Services (CMS), found that programs resulted in significant cost savings and led to decreases in unintended pregnancy rates. See Edwards, et.al. See also Henry J. Kaiser Family Foundation and Guttmacher Institute, *Medicaid: A Critical Source of Support for Family Planning in the United States*, April 2005.

5 Senators Clinton, Reid, and Casey and Reps. Lowey, DeLauro, Kirk, and Waxman introduced the Unintended Pregnancy Reduction Act (S. 1075 and H.R. 2523) on March 29, 2007 and May 24, 2007, respectively.

6 Three states (IA, IL, and NY) also provide coverage to women losing Medicaid eligibility after a Medicaid-funded delivery.

7 Edwards, et.al., "Evaluation of Medicaid Family Planning Demonstrations."

8 J. Frost, L. Finer, and A. Tapales, "The Impact of Publicly Funded Family Planning Clinic Services on Unintended Pregnancies and Government Cost Savings," *Journal of Health Care for the Poor and Underserved*, 19(2008): 778-796.

9 The state of Wisconsin reported in March 2008 that its Family Planning Waiver Program had saved state health programs an estimated \$487 million from 2003 through 2007. See C. Swart and S. Cochran, Wisconsin Dept. of Health and Family Services, *The Wisconsin Family Planning Waiver: Final Evaluation Report for 2003-2007*. March 2008.

10 North Carolina's Be Smart Family Planning Waiver offset the costs of the waiver by an estimated \$9.5 million in its first year, October 1, 2005 to September 30, 2006. See Navigant Consulting, Inc. and North Carolina Dept. of Health and Human Services, *North Carolina Be Smart Family Planning Waiver: Waiver Year One Interim Annual Report*. January 2008.

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**Update**

This issue of Medicaid 1115 Family Planning Demonstration Waiver Programs is an update of an earlier issue published in August 2007. This update reflects developments since the first issue.

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