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Health Outcomes and Lower Costs Associated with Medicaid Family Planning Waivers

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Twenty-six states have Medicaid §1115 family planning waivers to help promote reproductive health, help women avoid unintended pregnancies, and improve infant and maternal health outcomes. Family planning waivers – which allow states to provide services to individuals who are not otherwise eligible for coverage under Medicaid or the State Children's Health Insurance Program (SCHIP) – have proven to be successful in reducing the social and economic costs associated with unintended pregnancies. This *State Health Policy Briefing* is the fourth in a series that examines the status of these waivers, and provides a brief overview of the positive health outcomes associated with expanding family planning coverage.[1]

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In the United States half of pregnancies are unintended.[2] Women whose pregnancies are unintended are likely to discover their pregnancies later and are less likely to adopt healthy behaviors at the beginning of the pregnancy, including entry into early prenatal care.[3] Unhealthy behaviors during pregnancy and late and insufficient prenatal care can lead to low weight births and other health disadvantages. Because Medicaid pays for 41 percent of all births in this country, the federal and state governments are bearing an enormous share of the financial costs associated with unintended pregnancies.[4] Family planning programs can significantly reduce unintended pregnancies and the associated social, individual, and financial costs. Moreover, because federal funds pay 90 percent of the cost of providing Medicaid family planning services, these programs are highly cost-effective for states.

Background

In the 1960s, understanding of the negative social and economic consequences of unintended pregnancies increased significantly.[5] In 1972 Congress required all state Medicaid programs to make family planning services and supplies available to all Medicaid recipients of childbearing age.[6] To aid states in this effort, the federal government began reimbursing states for these services at an enhanced 90 percent rate rather than the 50 to 77 percent federal match for most other Medicaid-covered services. Family planning services and supplies were also exempted from cost-sharing requirements.[7]

Under federal law, states are required to cover all pregnancy-related care for 60 days postpartum for all pregnant women with household incomes up to 133 percent of the federal poverty level. After 60 days postpartum, most

women lose Medicaid coverage. Medicaid §1115 family planning waivers allow states to provide family planning services and supplies to women who lose Medicaid benefits after their pregnancies and to additional men and women who would not otherwise be eligible for such care.[8] While there is variation among state programs, they generally provide contraceptive services and supplies; physical exams; lab tests, including screenings for sexually transmitted illnesses (STIs); and in some cases STI treatment.[9]

A clear relationship exists between unintended pregnancies and negative birth and maternal health outcomes.[10] Medicaid family planning waivers have been shown to dramatically reduce the number of unintended pregnancies and to improve maternal health among program participants. For example:

- California's Medicaid family planning program, Family PACT, is estimated to have prevented between 205,000 and 213,000 unintended pregnancies in 2002 alone, about 45,000 of which would have been to teenagers.[11]
- A study funded by the Centers for Medicare and Medicaid Services (CMS) and conducted by the CNA Corporation estimated that, among the six state family planning waiver programs evaluated, between 2.5 percent (New Mexico) and 10.2 percent (Oregon) of pregnancies were averted among program participants.[12]

In the past, Title X – the only federal program devoted exclusively to funding family planning services and clinics – provided the largest share of public funds for family planning.[13] Yet today Medicaid provides more than six in ten public dollars for family planning services in the United States. Adjusted for inflation, Title X funding is 61 percent lower now than it was in 1980.[14] As a result, Medicaid family planning waiver programs have become an increasingly important tool for states to meet the family planning needs of low-income men and women.

Health Benefits of Family Planning

Unintended pregnancies are associated with an increased health risk for women and their babies, due to behaviors during pregnancy (such as poor nutrition and tobacco, alcohol, and drug use) that are associated with adverse health effects.[15,16] Additionally, women with unintended pregnancies are 1.6 times more likely to delay entry into prenatal care.[17]

Women with unintended or poorly timed pregnancies are also more likely to deliver pre-term or have other pregnancy-related complications. Similarly, the proportion of infants born with health disadvantages, including low birth weight, is significantly higher if the pregnancy is unintended.[18,19] Overall, unintended pregnancies result in a 30 percent greater likelihood that the infant's health will be compromised.[20] By helping women plan their pregnancies, Medicaid family planning waivers can reduce some of these negative birth outcomes.

PRENATAL AND PRECONCEPTION CARE

Early prenatal care allows pregnant women and their health care providers to identify and potentially treat health problems and behaviors that could compromise fetal development or the health of the mother.[21] Women with unintended and mistimed pregnancies are more likely to delay entry into prenatal care,[22] which may be associated with negative health outcomes such as low birth weight.[23] Additionally, babies born to mothers who received no prenatal care are three times more likely to be born at a low birth weight than those born to mothers who received prenatal care.[24]

Family planning also allows for counseling and care before conception, which is essential to maximize the likelihood of healthy pregnancies and positive infant health outcomes. When pregnancies are anticipated, women can take steps to improve their health and reduce risk factors that might affect their future pregnancies.[25]

Women of childbearing age can suffer from a wide variety of conditions that may lead to negative birth outcomes. For example:

- In the United States, 9.3 percent of women ages 15 to 44 are diabetic.[26] Infants born to women with unmanaged diabetes are three times more likely to be born with birth defects. The risks to both mother and baby are substantially reduced by proper management of the disease.[27]
- One out of three women of childbearing age is obese.[28] Maternal obesity is associated with many adverse birth outcomes, including pre-term delivery and neural tube

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defects (birth defects of the brain and spinal cord). Weight loss before pregnancy reduces these risks.[29]
- Untreated sexually transmitted illnesses can lead to a wide range of poor birth outcomes including physical and developmental disabilities. Early screening and treatment can prevent them.[30]
- Use of daily folic acid supplements before conception has been shown to reduce the incidence of neural tube defects by two-thirds.[31]

Family planning waivers can give women access to providers who can discuss reproductive health information with them at every visit; states are required to make referrals to community health centers to provide primary care to individuals enrolled in family planning programs.[32] Additionally, many waiver programs provide screenings and treatment for STIs and screenings for breast and cervical cancers.[33,34] By providing preconception education, screenings, and in some limited cases care, family planning waiver programs can help decrease risk factors and improve the chances for healthy births.

REDUCTION IN LOW BIRTH WEIGHT AND PRE-TERM BIRTHS

By providing coverage for family planning services, states can reduce low birth weight and pre-term births.

Pre-term births account for 12.5 percent of all births in the United States. Infants born prematurely are at greater risk for many potential complications, including respiratory, gastrointestinal, immune system, central nervous system, hearing, and vision problems. As pre-term infants grow older, longer-term problems may arise, including cerebral palsy, mental retardation, behavior and social-emotional concerns, learning difficulties, and poor health and growth.[35] While the causes of prematurity are unknown for half of premature births,[36] it is clear that unintended pregnancies are more likely to result in pre-term births than intended ones.[37]

An additional goal of family planning waivers is to promote healthy spacing between births. Several studies have shown that closely spaced births are associated with a higher risk of low birth weight and prematurity.[38] One study concluded that "interpregnancy intervals shorter than 18 months and longer than 59 months are significantly associated with increased risk of adverse perinatal outcomes. These data suggest that spacing pregnancies appropriately could help prevent such adverse perinatal outcomes."[39]

Evidence suggests that family planning waivers can increase birth spacing among program participants.[40] For example, Rhode Island's RIte Care program focused on lengthening birth spacing. In 1993, before the state's waiver was implemented, 41 percent of women in Rhode Island who had Medicaid-funded births became pregnant within 18 months of their previous delivery. By 1996 (post-waiver) that number had been reduced dramatically to 29 percent, essentially closing the gap in short interpregnancy intervals between women enrolled in Medicaid and those with commercial health coverage. Rhode Island also saw dramatic improvements in infant health outcomes among program participants, including a 36 percent drop from 1990 to 1999 in infant mortality for infants with publicly funded coverage.[41]

Return on Investment and Cost Savings

Through family planning waivers, states have the potential to dramatically lower the financial costs associated with unintended pregnancies and unhealthy birth outcomes. Poor birth outcomes are expensive. For example:

- Average hospital costs for pre-term or low birth weight infants have been shown to be 25 times higher than for uncomplicated births.[42]
- Approximately 8 percent of infant hospitalizations include a diagnosis of pre-term birth or low birth weight, yet account for 47 percent of all infant hospital costs and 27 percent of all pediatric hospital stays, or $5.8 billion dollars annually.[43]
- By comparison, uncomplicated newborn births account for 42 percent of infant hospital stays but only 10 percent of all infant hospital costs, or $1.2 billion annually.[44]
- Additionally, hospitalization costs have been shown to decrease with increased birth weight and gestational age. Costs are highest for extremely pre-term infants, or those with less than 28 weeks gestation or birth weight below 1000 grams. These costs average $65,600 per infant.[45]

Among pre-term and low birth weight infant hospitalizations, 42 percent of stays are paid for by Medicaid.[46] By reducing low weight and premature births, states have the potential to save millions of dollars.

Conclusion

Research has clearly demonstrated that unintended pregnancies are associated with an increased health risk for both women and infants, and they significantly increase the rate of low weight and premature births. These consequences can dramatically increase health care costs and decrease quality of life for the mother and the child, and they are expensive for state Medicaid programs. Family planning waivers have proven to be a successful tool for states to help women prevent unintended pregnancies and increase interbirth intervals, while also reducing state costs and improving maternal and child health outcomes.

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