

Briefly...

Policy Brief: Health Care Reform

Overview

Discussions about health care reform present an important opportunity to improve pregnancy prevention and planning, which has not only major health implications for women and their families but also fiscal implications that extend to employers and taxpayers. Family planning can and should be addressed at several levels: federal and state policy, public and private health insurance, and individual behavior/action. Given the health, economic, and social consequences of unplanned pregnancy¹ for taxpayers and families, policymakers should consider a number of specific policy areas where there are opportunities to improve pregnancy planning and prevention within the context of health care reform efforts.

Regardless of whether the health care reform centers on expanding access to care through consumer-driven health plans with safety-net clinics and publicly-financed insurance programs for lower-income consumers or a universal coverage model that has minimum benefits requirements, family planning services should be included. Particular attention should be given to several specific policy areas: allowing consumers to have access to a full range of counseling, clinical services, and FDA-approved family planning methods; using technology to reduce costs and improve access (i.e. e-prescribing and electronic record-keeping); ensuring affordable cost-sharing (i.e. co-pays and deductibles); and expanding coverage for the uninsured and underinsured. The purpose of this brief is to address some broader themes and reasons why pregnancy prevention should be considered as part of any health care reform initiative.

Policymakers have an opportunity to improve health and reduce costs by enhancing pregnancy planning and prevention in the context of virtually any initiative to reform the nation's health care system. Specifically, policymakers could:

- Enhance consumers' access to family planning counseling, services, and coverage for a full range of FDA-approved family planning methods;
- Improve young adults' access to affordable health insurance (the group most likely to experience an unplanned pregnancy);
- Complement private sector health initiatives with strong, publicly-financed family planning services for those who do not otherwise have access to high quality, affordable family planning;
- Encourage responsible behavior among men and women that promotes health and wellness.

Making the Case

A central theme of the growing discussion about health care reform involves both lowering costs for services and ensuring greater access to coverage by reducing the acute needs of patients through the adoption of a broad array of preventive services. Health care costs have skyrocketed over the past several years because our health care system focuses on treating illness rather than promoting wellness. Recently, some policy experts have begun to promote changing the country's system with an eye toward prevention of

chronic disease. This is undoubtedly important, but these efforts have generally not included pregnancy planning and prevention, which are important components of a prevention agenda focused on improved personal responsibility for the sake of better health. While pregnancy is not a disease and under many circumstances is a wonderful occurrence, fully **one-half of all pregnancies in the United States are unplanned**, and those pregnancies that result in a birth have significant health-related consequences for both the mother and child. For example, women experiencing an unplanned pregnancy are less likely than those who plan their pregnancy to obtain prenatal care and their babies are at increased risk of both low birthweight and of being born prematurely.² The National Campaign believes that pregnancy prevention and planning should become an integral part of a prevention and wellness agenda. Here are five broad sets of reasons:

(1) Pregnancy prevention is cost-effective. Since the early 1990s, the Department of Health and Human Services has granted waivers to states to expand Medicaid coverage of family planning services. Currently, 26 states have waivers to expand these services to women (and in some states, men and adolescents) who would otherwise be ineligible to receive them.³ A requirement of this waiver program is that the expanded family planning eligibility must be “cost neutral” to the federal Medicaid program; in all of the cases thus far, the expanded access has produced substantial savings.

- **Key fact:** A Congressional Budget Office analysis that reviewed the cost implications for the expansion of Medicaid family planning eligibility in all fifty states to match Medicaid eligibility for pregnancy-related services showed a cost savings of at least \$400 million over 10 years.⁴
- **Key fact:** A Centers for Medicare and Medicaid Services evaluation in 2003 also confirmed substantial savings associated with the family planning waiver expansions in the six states that were evaluated. Estimated net Medicaid savings (federal and state funds) over a two-year period ranged from \$1.3 million in New Mexico to \$23 million in South Carolina to \$76.2 million in California.⁵
- **Key fact:** According to a recent evaluation, California’s waiver program, FamilyPACT prevented an estimated 205,000 unplanned pregnancies in 2002 (which would have resulted in 79,000 abortions and 94,000 unplanned births). The total public sector cost-savings (for a range of health and social services programs) of the pregnancies prevented by FamilyPACT in FY 2002 was over \$1.1 billion up to two years after birth and \$2.2 billion five years after birth.⁶

(2) Access to and coverage of more effective methods of family planning could further reduce unplanned pregnancy and result in lower public and private sector costs. Of the three million unplanned pregnancies in the United States each year, half occur to the approximately one in ten women who are using no method of family planning and half occur to women who either are using a less effective method of family planning, or are using a method of contraception incorrectly or inconsistently.⁷ While research on and the availability of family planning drugs and devices has grown substantially over the last decade, many of the newer, most effective methods are expensive, not well understood, and not widely used. In particular, long-acting reversible contraceptives (LARCs), such as implants and intrauterine devices (IUDs), are highly effective long-term birth control methods that virtually eliminate the problem of incorrect use and provide excellent protection for women against unplanned pregnancies.

- **Key fact:** An analysis of employers providing contraceptive coverage found cost-savings (from financial savings and health gains) per person of \$8,227 for oral contraceptives, \$8,996 for the vaginal ring, and \$8,770 for the monthly injectables compared to no contraception.⁸ Another report found IUDs to be the most cost effective method over a five-year period.⁹
- **Key fact:** In 2003, a survey of employer-based health insurance plans showed that only 72% had coverage for family planning services that included LARCs, while 88% covered oral contraceptives.¹⁰
- **Key fact:** Contraceptive use saves as much as \$19 billion in health costs annually. For employers, the cost of offering coverage to employees is minimal—less than 1% of total employee coverage costs and easily offset by savings due to averted unplanned births.¹¹

- **Key fact:** As part of its best practice recommendations for Maternal and Child Health, the National Business Group on Health recommends that employers offer unintended pregnancy prevention services including coverage of all FDA-approved prescription methods at no cost to employees based on evidence that they result in cost savings to companies.¹²

(3) Publicly-financed programs such as Medicaid and Title X are essential to ensure access to affordable pregnancy prevention services and counseling. Medicaid and Title X, the nation's family planning grant program created in 1970 under the Public Health Service Act, are significant sources of the public funds spent on family planning to ensure that low-income men and women (as well as adolescents) have access to an array of necessary services.

- **Key fact:** Medicaid spending on family planning accounts for just over 60% of taxpayer dollars spent on pregnancy prevention and Title X accounts for approximately 15%.¹³ In 2006, 37% of women of reproductive age in families with incomes below the federal poverty line (3.4 million) were enrolled in Medicaid.¹⁴
- **Key fact:** In FY06, Title X provided family planning services to nearly 5 million low-income and uninsured men and women through the 4,400 clinics it supports.¹⁵ Together, all publicly-financed programs are responsible for averting an estimated 1.4 million unplanned pregnancies in a year and also resulted in net public sector savings of \$4.3 billion.¹⁶

(4) Pregnancy prevention is a key part of promoting responsible behavior. It is generally accepted that achieving good health requires a combination of access to prevention and treatment services as well as the exercise of individual responsibility for maintaining a healthy lifestyle. From heart disease to obesity, there is an expectation that in addition to getting the care of competent medical professionals, people have an obligation to make wise choices about their personal health, such as eating right and exercising, in order to avoid adverse health outcomes. Even so, preventing unplanned pregnancy requires a combination of responsible policies in the public and private sector as well as personal responsibility on the part of individuals. Through increased access to family planning services, an individual gains access to needed information, prescription drugs and devices, and support and care from trained providers—all of which allow individuals to manage their fertility and plan pregnancies in responsible ways.

(5) The population that experiences the majority of unplanned pregnancy—people in their 20s—is one of the largest and fastest growing groups without health insurance. In 2007, 46% of 19-29 year olds were without insurance during the year, an increase from 40% in 2003.¹⁷ Many of these young adults lose health insurance coverage once they graduate from either high school or college. And the jobs they accept after graduation often come without health insurance benefits.

A recent report by the Commonwealth Fund found that the following policy changes could improve insurance coverage among young adults: expand state laws so that dependents are able to receive insurance coverage up to age 24 or 25; extend eligibility for public insurance programs beyond age 18; and ensure that colleges require and offer coverage to students.¹⁸ Without this coverage, and contraceptive coverage in particular, employers suffer the indirect costs of increased absenteeism and decreased productivity.¹⁹

For all of these reasons, the National Campaign believes that encouraging personal responsibility for pregnancy planning and prevention as well as supporting public and private policies that provide adequate access to effective family planning should be an integral part of health care reform.

Sources

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