

Briefly...

Strengthening America's Family Planning Safety Net in the Context of Health Reform

At present, at least half of all pregnancies in the United States are unplanned.¹ As is true for teen pregnancy, unplanned pregnancy is closely linked to a number of negative health, social and economic consequences for children, families and communities; unplanned pregnancy also lies behind the vast majority of the nation's abortions. Reducing the stubbornly high levels of unplanned pregnancy in the U.S. will require both personal responsibility on the part of individuals as well as responsible policies that give women and men the information and services they need to plan pregnancy. Family planning services are both widely used and broadly supported: 98 percent² of sexually active women have used some form of family planning and 88 percent of voters support women's access to contraception.³ In fact, a recent poll found that 72 percent of Republicans and Independents favor legislation that would make it easier for people at all income levels to obtain contraception.⁴

As our nation begins a serious discussion about how to improve the health of its citizens and reduce health care costs, the value of publicly funded family planning services should be front and center. Family planning services are a critical part of basic health care that also provide significant cost savings to taxpayers. In 2006 alone, these services helped prevent 1.94 million unplanned pregnancies and saved taxpayers an estimated \$4.3 billion in Medicaid pregnancy-related expenditures alone.⁵ Put another way, for every public \$1 invested in family planning services, taxpayers save \$4.02 in Medicaid pregnancy-related expenditures.⁶ Strengthening the family planning safety net through Medicaid, Title X, and other public programs will help ensure that:

- more women and men will have access to high quality information, care and services that will reduce unplanned pregnancies,
- health will improve,

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- taxpayers and government alike will enjoy significant savings, and
- the prevalence of abortion will decline.

Medicaid and Title X

Medicaid and Title X serve as the foundation of the nation's family planning program. Medicaid is now the largest public funding source for family planning, accounting for 71 percent of all state and federal dollars spent on family planning in 2006.⁷ The remaining sources included 12 percent from Title X, 13 percent from state funds, and five percent from other funding streams such as the Maternal and Child Health, Temporary Assistance for Needy Families, and Social Services block grants.⁸ While Medicaid provides insurance coverage for family planning services to low-income individuals, Title X offers valuable wraparound services such as patient outreach, extended counseling and provider training in addition to providing family planning services; it also helps support a network of more than 4,400 community-based clinics nationwide. Together Medicaid and Title X, (and to a lesser extent community health centers and a few other settings) served 9.4 million women in need of publicly-funded family planning services in 2006.⁹

Recommendations

Given the health and economic benefits of publicly funded family planning services—and the importance of improving health and reducing costs through health reform—policymakers should:

- 1. Strengthen and Expand Title X:** Title X has not been reauthorized since 1985 and funding for the program has remained relatively stagnant over the past decade. Title X should be enhanced so that in addition to funding services where other systems are not adequate, it can focus on valuable wraparound services that complement Medicaid and other payment sources as well. These important services include, for example, extended counseling, outreach to hard-to-reach groups, provider and staff education and training on a wide range of issues (such as cultural competence and newer contraceptive methods including long acting reversible contraception); and infrastructure improvements including health information technology. To these ends, Title X should be funded at a level sufficient to address (a) the unmet need for family planning and related services not financed by Medicaid and/or other sources of funding; (b) the unmet need for the family planning training, research and information/education programs that only Title X provides; (c) the rising costs of contraception (especially longer-acting methods) as well as critical laboratory services and supplies; and (d) the unmet need for infrastructure improvements that increase efficiency and improve client care. Investing \$700 million annually would make a substantial contribution towards filling these gaps.
- 2. Allow States to Expand Medicaid Eligibility for Family Planning through a State Optional Amendment:** Twenty-seven states have completed the onerous waiver process and have received federal approval to expand eligibility for Medicaid family planning services. These expansions have clearly demonstrated that they are cost effective.¹⁰ Allowing states to expand family planning eligibility to the same eligibility level as pregnancy-related care through a state option rather than a waiver would lead to an estimated savings of \$700 million over 10 years nationwide, according to a recent CBO estimate.¹¹ In addition, more states should be encouraged to include men in their Medicaid family planning expansions (eight states currently cover men through waivers).¹²
- 3. Adequately Reimburse Extended Counseling and Outreach Services under Medicaid:** A large majority of young adults (63% of men and 77% of women) say that health care professionals are their most trusted source of information about contraception yet more than eight in ten men (84%) and about one-third of women (35%) say they rarely or never discuss contraception with their doctor or other health care professional.¹³ Experts say and experience confirms, that one of the main explanations for this poor communication is that providers often shy away from it due to inadequate reimbursement for such care. Providing adequate reimbursement for extended family planning counseling services and outreach under Medicaid will improve contraceptive knowledge and adherence among young adults and help them find the contraceptive method that works best for them.
- 4. Remove Remaining Barriers for Legal Immigrants to Access Medicaid Family Planning:** Currently, otherwise eligible legal immigrants who are otherwise eligible for Medicaid must wait 5 years to apply for coverage unless they are pregnant or a minor. This restriction keeps young women and men from accessing vital family planning services. Allowing states to offer these critical Medicaid services and further ameliorating the citizenship documentation requirement for Medicaid and the Children's Health Insurance Program (CHIP) would significantly improve access to effective pregnancy planning and prevention services.
- 5. Strengthen the Family Planning Workforce:** To ensure a robust, well-trained, culturally-competent family planning workforce, incentives should be offered, such as loan forgiveness programs for providers and support staff who serve low-income clients or who work in associated clinics. Investments should also be made for continuing education in new research findings of relevance to practitioners and in emerging contraceptive technologies including long acting reversible methods. Finally, it is important to establish Medicaid provider reimbursement rates that adequately reflect administrative and supply costs. The rates of reimbursement should also be adjusted annually to most accurately reflect the cost of providing services.
- 6. Improve Coordination across Relevant Federal Agencies:** There is a need to improve coordination among various

parts of the Department of Health and Human Services that play a role in supporting publicly funded family planning. This includes the Office of Population Affairs, the Centers for Medicare and Medicaid Services, the Health Resources and Services Administration, the Administration for Children and Families, the Centers for Disease Control and Prevention, and the Office of Women's Health. Working together, these agencies can help ensure that publicly funded family planning programs function even more effectively.

Key Facts

The Need for Publicly Funded Family Planning Services

- At least half of all pregnancies in the United States are unplanned (approximately 3 million annually) and more than one-third of these (1.1 million) are to unmarried women in their 20s.¹⁴
- Eight in ten young adults believe that pregnancy is something that should be planned and more than six in ten believe that unplanned pregnancies are an important problem among unmarried people in their 20s.¹⁵
- The overall rate of unplanned pregnancy has remained stagnant since the mid-1990s and is increasing for lower-income women.¹⁶
- Six in ten women report that their family planning center is their usual source of medical care.¹⁷
- In 2006, 17.5 million women were in need of publicly funded family planning services yet Medicaid, Title X, and other publicly supported health centers were only able to serve 54 percent (9.4 million women).¹⁸
- As a result of the services supported by public funding, it is estimated that in 2006, 1.94 million unplanned pregnancies were avoided, thereby averting 860,000 unintended births and 810,000 abortions.¹⁹

Medicaid

- Medicaid has provided comprehensive access to family planning services to categorically eligible clients since 1992. In addition, 27 states have waivers to expand eligibility for Medicaid family planning services.

- In addition to serving as the largest public funding source for family planning, Medicaid is the single largest source of financial support for clinics that are funded at least partially by Title X—30 percent of all revenue reported by Title X clinics is contributed by Medicaid.²⁰

For more information about Medicaid family planning, please see [Policy Brief: Strengthening Medicaid Family Planning](#).

Title X

- Title X funding supports 87 grantees that provide family planning services to approximately five million women and men through a network of more than 4,400 community-based clinics. These clinics are located in state and local health departments, tribal organizations, hospitals, university health centers, independent clinics, community health centers, faith-based organizations, and other public and private nonprofit agencies.²¹
- Title X-supported clinics served 66% (6.2 million) of women in need who received publicly funded family planning services in 2006.²²
- Each \$20 million increment in new funding for Title X would help women avoid another 17,200 unplanned pregnancies, including 7,000 that would end in abortion.²³

For more information about Title X, please see [Policy Brief: Title X..](#)

The Challenges Faced by Publicly-Funded Family Planning Programs

- Title X funding has remained stagnant over the past several decades. If the program had been adjusted for inflation since FY1980, the program would currently be funded at nearly \$725 million annually. At present, the program is funded at \$300 million.²⁴
- The cost of contraceptive supplies is increasing. In 2005, Title X spending on supplies increased 26 percent over three years while Title X funding rose only 11 percent in that same period.²⁵
- Due to the expensive upfront costs of long-acting reversible contraceptive methods, 57 percent of family planning entities reported not stocking certain methods.²⁶

Family Planning is Cost-Effective

- Contraceptive use saves nearly \$19 billion in direct medical costs each year.²⁷
- An analysis of employers that provided contraceptive coverage for employees found significant cost-savings (from financial savings and health gains) compared to those who provided no contraception.²⁸ For example, the per person cost savings of those using oral contraceptives was \$8,227, some \$8,996 for the vaginal ring, and \$8,770 for monthly injectables. Another report found IUDs to be the most cost effective method.²⁹
- Unplanned pregnancies cost more than \$5 billion in direct medical costs alone. This includes only the costs that are associated with the births (\$3.9 billion), abortions (\$797 million), and miscarriages (\$266 million) that result from nearly 3 million unplanned pregnancies each year.³⁰
- Publicly funded family planning services saved \$4.3 billion in 2006 by averting the costs of Medicaid pregnancy-related care.³¹
- Every public \$1 invested in preventing unplanned pregnancy saves \$4.02 for the government and taxpayers.³²

ABOUT THE AUTHOR

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