



Medicaid Family Planning Services Save Money May 2011

This fact sheet describes the important cost-saving role that family planning services can play, particularly in the Medicaid program.

As this information is used, it is important to note that each individual must be able to decide for herself which contraceptive method is most appropriate and effective, therefore all options must be offered as part of the full range of contraceptive services. The potential for coercion and discriminatory access is heightened with long-acting contraceptive methods. This risk must be avoided by ensuring comprehensive education and counseling to individuals regarding all available contraceptive methods.

Low-income women and family planning services

- 17 million women rely on publicly funded reproductive health care; Medicaid is the single largest source of public funding for family planning services and supplies.¹
- Low-income women are 5 times more likely to experience unintended pregnancies as compared to higher-income women.²
- Medicaid pays for approximately 41% of all births in the United States.³

Cost-savings from public family planning programs

- For every \$1 spent on publicly funded family planning services, taxpayers save an estimated \$4.02 in pregnancy-related costs.⁴
- A Medicaid-covered birth (including prenatal care, delivery, postpartum care, and infant care up to age 1) costs over \$12,613.⁵
- The cost of contraceptive care is approximately \$257 per client.⁶
- In 2008, approximately \$1.9 billion Medicaid dollars spent on family-planning care resulted in \$7 billion in Medicaid savings.⁷

¹ Guttmacher Institute, *Medicaid's Role in Family Planning* (May 2, 2011), http://www.guttmacher.org/pubs/IB_medicaidFP.pdf [hereinafter Guttmacher Inst.].

² Lawrence B. Finer & Stanley K. Henshaw, *Disparities in Rates of Unintended Pregnancy in the United States, 1994 and 2001*. 38 Persp. Sexual and Reprod. Health 90 (2006).

³ Guttmacher Inst., *supra* note 1.

⁴ Jennifer J. Frost et al., *The Impact of Publicly Funded Family Planning Clinic Services on Unintended Pregnancies and Government Cost Savings*. 19 J. of Health Care Poor & Underserved 778 (2008).

⁵ Kelly Cleland et al., *Family Planning as Cost-Saving Preventive Health Service*, New Eng. J. Med 1 (2011), <http://healthpolicyandreform.nejm.org/?p=14266> [hereinafter Cleland et al.].

⁶ *Id.*

⁷ *Id.*

Contraception use and costs

- With no contraceptive use, 85% of couples will have a pregnancy within one year.⁸
- 52% of unintended pregnancies in the U.S. occur among the 10.7% of women using no contraceptive method.⁹
- With efficacy lasting up to five years, the copper intrauterine contraceptive (IUC) costs \$129/year; hormonal implants cost \$319/year; and the levonorgestrel IUC costs \$404/year.¹⁰
- In 2008, only 5.5% of women using contraception chose the more effective and longer-term methods.¹¹

States can save money by making family planning services easier to access

- The California Kaiser Foundation Health Plan eliminated copayments for the most effective contraceptive methods in 2002. Prior to the change users paid up to \$300 for 5 years of use, and after the change use of these methods increased by 137%.¹²
- 27 states¹³ have expanded their family planning programs with savings including \$59 million in Illinois over 5 years, \$75 million in Arkansas over 5 years, \$214 million in Alabama over 3 years, and over \$2 billion in California over 5 years.¹⁴

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⁸ James Trussel, *Update on the Cost Effectiveness of Contraceptives in the United States*. 40 *Contraception* 94 (2010) [hereinafter Trussel].

⁹ Cleland et al., *supra* note 5.

¹⁰ Trussel, *supra* note 8.

¹¹ Cleland et al., *supra* note 5.

¹² Jennifer J. Frost & Jacqueline E. Darroch, *Factors Associated with Contraceptive Choice and Inconsistent Method Use*, 40 *Sexual & Reprod. Health* 94 (2008).

¹³ AL, AZ, AR, CA, DE, FL, IL, IO, MD, MI, MN, MS, MO, NM, NY, NC, OK, OR, PA, RI, SC, TX, VA, WA, WI, WY.

¹⁴ Sara R. Sills, *Cost-Effectiveness of Medicaid Family Planning Demonstrations*. State Health Policy Briefing, Nat'l Acad. for State Health Policy (Sept. 2007).