



## ISSUE BRIEF

2008

### *Medicaid Matters:*

### *A Medicaid Waiver for Family Planning Can Improve Health and Save Dollars*

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West Virginia Medicaid can improve the health of West Virginia women and infants and save dollars by providing family planning services for new mothers for 24 months beyond the birth of the baby. Under current state policy, Medicaid covers pregnant women up to 150 percent of the Federal Poverty Level during the pregnancy and for sixty (60) days postpartum.<sup>1</sup> Unless private coverage is available, the infant continues coverage under Medicaid for 12 months. After one year, family income is re-evaluated and the infant continues with Medicaid coverage or becomes eligible for the West Virginia Children's Health Insurance Program (CHIP).

***Expanding family planning services in West Virginia through Medicaid can meet both important public health and fiscal objectives.***

New flexibility in the federal Medicaid program permits states to expand coverage for family planning services through the Medicaid program by receiving a waiver. Twenty-six (26) states have received such a waiver and taken advantage of the federal flexibility with a variety of approaches. Twenty (20) states provide family planning benefits through Medicaid for people earning at or below 200 percent of the federal poverty level. Four states offer family planning for Medicaid-covered women up to 24 months postpartum, and two states offer family planning to women losing Medicaid benefits for any reason.<sup>2</sup> To receive a waiver to expand family planning services, states must show that the new benefits will be "budget neutral," that is, the new services cannot add cost to the federal share of Medicaid. Expanding family planning services under Medicaid for low income West Virginia women makes sense from a variety of perspectives including

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<sup>1</sup> 150 percent of the Federal Poverty Level in 2008 is equal to an annual income of \$26,400 for a family of three. The unborn child is counted as a family member for the purpose of Medicaid eligibility.

<sup>2</sup> Guttmacher Institute, *State Medicaid Family Planning Eligibility Expansions*, State Policies in Brief, September 1, 2008.

- Improving the future health of all West Virginians,
- Improving the health of women and mothers,
- Improving the health of infants,
- Saving State Medicaid dollars.

*Improving the Future Health of West Virginians*

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West Virginia ranks low on most health indicators with the population suffering the highest rates of diabetes, obesity, heart disease and cancer. In the percent of people with disabilities, West Virginia ranks first in the nation with 26 percent of adults having some type of disability.<sup>3</sup> The state’s poor health status has received much attention in the last few years from the Governor, the Legislature, and West Virginia’s public health and medical professionals.

Since the 19<sup>th</sup> century, health care professionals and policymakers have recognized that the health of a population, whether a state or a nation, is dependent upon the health of mothers and babies. Such recognition has led to generous investments in health care and nutrition for pregnant women and infants by providing public health insurance, women and infant care (WIC), family planning, prenatal care, and early intervention programs. These programs have improved the infant mortality rate, a key measure of population health, from 100 infant deaths per thousand in 1900 to a U.S. average of less than 7 deaths per thousand today.<sup>4</sup>

Although the U.S. and West Virginia have made enormous progress in reducing infant mortality over the last several decades, the nation is not doing as well as many others. Declines in infant mortality have stalled, significant disparities exist within the U.S. in infant mortality rates, and too many babies are born too early and/or with low birth weight, which puts them at higher risk for infant death and for developmental disabilities. In 2000, the U.S. ranked 27<sup>th</sup> among industrialized nations for infant mortality.<sup>5</sup> Within the U.S., West Virginia ranked 36<sup>th</sup> in 2003-05 for infant mortality.<sup>6</sup> Many experts fear that the indicators are going in the wrong direction. In

West Virginia Health Facts

<u>Indicator</u>	<u>Rate/%</u>	<u>Rank</u>
Infant Mortality	8/1000	36 <sup>th</sup>
Low Birth Weight	10%	46 <sup>th</sup>
Pre-Term Births	12%	42 <sup>nd</sup>
Children w/Chronic Conditions	18.3%	50 <sup>th</sup>
Adults w/Disabilities	26%	51 <sup>st</sup>
Unplanned Pregnancies	43%	

Sources: The Kaiser Family Foundation, [statehealthfacts.org](http://statehealthfacts.org); State Health Access Data Assistance Center of the University of Minnesota; West Virginia Pregnancy Risk Assessment Monitoring System (PRAMS)

<sup>3</sup> Kaiser Family Foundation, State Health Facts [Statehealthfacts.org](http://Statehealthfacts.org) accessed on September 10, 2008.

<sup>4</sup> Central Intelligence Agency, World Fact Book, [www.cia.gov/library/publication](http://www.cia.gov/library/publication) accessed on September 10, 2008.

<sup>5</sup> Trust for America’s Health, page 1.

<sup>6</sup> [Statehealthfacts.org](http://Statehealthfacts.org) accessed on September 10,2008.

the foreseeable future, we may not see further improvements in infant health or mortality because the health of childbearing aged women is starting to get worse, and it is getting worse more rapidly among low-income women.<sup>7</sup>

### *Improving the Health of Women and Mothers*

Improving the health of West Virginians means not only supporting the health of the approximately 20,000 women who give birth each year but the 177,300 women at risk of unplanned pregnancy.<sup>8</sup> Traditionally, health services to improve birth outcomes have been focused on prenatal care during pregnancy and the time of birth. However, increasing evidence shows that how healthy a woman is before she becomes pregnant has a great impact on the health of the baby and whether there is an increased risk for infant death or birth defects.<sup>9</sup>

“Increasing evidence shows that how healthy a woman is even **before** she becomes pregnant has a great impact on the health of the baby and whether there is an increased risk for infant death or birth defects.”  
Trust for America’s Health.

One area where we can do better to support the health of women, who may become pregnant, is by reducing the number of unplanned pregnancies by teaching the importance of planning for a healthy pregnancy and by increasing access to family planning. Data obtained from the West Virginia Pregnancy Risk Assessment Monitoring System (PRAMS), shows that almost half of West Virginia report that their pregnancy was not planned:

- Forty-three percent (43%) of West Virginia women reported their pregnancy was unplanned with the pregnancy wanted later or not at all.
- Over 60 percent of unplanned pregnancies were reported by single women.
- Over 40 percent of unplanned pregnancies were to women 20 to 29 years old.
- The highest percent of unplanned pregnancies occur among women with less than a high school education.

A study of 11 million women found that better pregnancy spacing could have a dramatic impact on neonatal complications and deaths, both worldwide and in the United States.  
JAMA, April 19, 2006.

The research also shows that women who wait for two years

between pregnancies are healthier because their bodies have more time to recover from childbearing. They also have less chance of having a preterm or low birth weight baby. A new study of 11 million women suggests that better pregnancy spacing could have a dramatic impact on neonatal complications and deaths.<sup>10</sup>

<sup>7</sup> Trust for America’s Health, page 1.

<sup>8</sup> Guttmacher Institute, *Women in Need of Contraceptive Services and Supplies, 2002*.

<sup>9</sup> Trust for America’s Health, page 1.

<sup>10</sup> Agustin Conde-Agudelo; Anyeli Rosas-Bermúdez; Ana Cecilia Kafury-Goeta *Birth Spacing and Risk of Adverse Perinatal Outcomes: A Meta-analysis*, JAMA, April 19, 2006; 295: 1809 - 1823.

## Improving the Health of Infants

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In 2005, 12 percent of births in West Virginia were pre-term, which ranked West Virginia 42<sup>nd</sup> highest among all states in per-term births. Pre-term births put infants at risk for low birth weight and other health problems such as developmental delays. Ten percent of all babies born in West Virginia in 2005 were low birth weight making the state the 46<sup>th</sup> highest of all the states. Between 2003-2005 the infant death rate was eight per thousand, the 36<sup>th</sup> highest in the U.S.<sup>11</sup> West Virginia also has the second highest percent of chronically ill children. Chronic illness is a condition that has lasted or is expected to last twelve months or longer. Chronic illness among children prevents their ability to do things most children of the same age do.<sup>12</sup>

## Family Planning Programs in West Virginia

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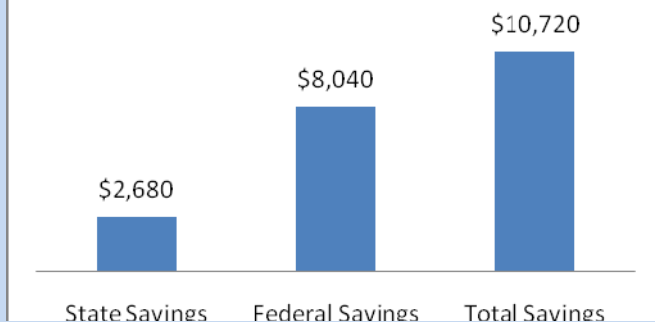
The health of pregnant women and poor birth outcomes can be addressed by expanding availability to family planning services and assuring continuity of care for new mothers up to two years post-partum. A family planning waiver through Medicaid can improve the health of pregnant women whose care is paid by Medicaid and make other dollars for family planning go further.

In addition to family planning services offered to Medicaid-covered women, West Virginia provides family planning services with funding from Title X, The Maternal and Child Health Block Grant, and state dollars. These dollars are limited and increasing cost for family planning supplies is squeezing

the program. The Alan Guttmacher Institute estimates that 106,240 West Virginia women of child bearing age including 28,360 teens have incomes below 250 percent of the federal poverty level and, therefore, are eligible for publicly supported family planning services. In 2006, The West Virginia Family Planning Program served 53,383 women or about half of all those who are eligible. Because of the higher cost of contraceptive supplies, services provided in 2006 decreased by nearly 9.5 percent over 2005. The Family Planning Program estimates that their services helped 13,800 West Virginia women and families postpone pregnancy until the time is right for them.

To subsidize Title X federal family planning funds, dollars have been allocated from Maternal and

### Medicaid Savings for Each Unwanted Pregnancy Averted



<sup>11</sup> [Statehealthfacts.org](http://Statehealthfacts.org) accessed on September 10, 2008.

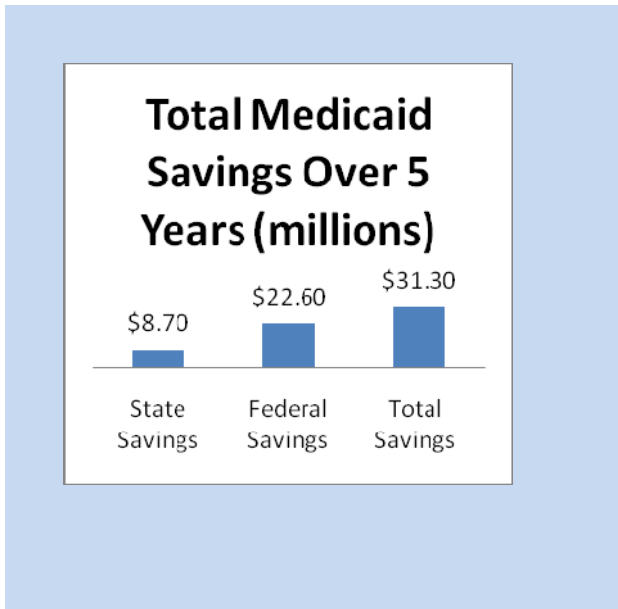
<sup>12</sup> The State Health Access Data Assistance Center, University of Minnesota, *A Needed Lifeline, Chronically Ill Children and Public Health Insurance Coverage (a state-by-state analysis)*, August 2008. Data for the report comes from the U.S. Centers for Disease Control and Preventions' National Center for Health Statistics (2005-2007), State and Local Area Integrated Telephone Survey and the 2007 National Health Interview Survey.

Child Health (MCH) Block Grant and state appropriations. With increased support from Medicaid for family planning, MCH and state dollars could be used for family planning services for non Medicaid eligible women, men and adolescents.

### *Saving Health Care Dollars in Medicaid*

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Medicaid is the single largest health care program in West Virginia. About 20 percent of all West Virginians are served by Medicaid and about 20 percent of total health care funding is provided by the program. Medicaid is a federal state partnership. In most cases about 75 percent of the funding for Medicaid comes from the federal government and 25 percent comes from the state. In the case of family planning, the federal government will provide for 90 percent of all funding with the state providing the remaining 10 percent.



According to numbers of the West Virginia Bureau for Public Health, providing Medicaid-covered women with family planning services for 24 months post-partum will result in 830 fewer Medicaid births per year. A conservative estimate of savings to the Medicaid program for prenatal care, delivery and routine medical care for the mother and infant health care is \$10,720 for each birth averted.<sup>13</sup> Savings for the state would be approximately \$2,680 and for the federal government \$8,040 per birth.

The cost of offering the family planning services are estimated at \$148 per client per year based on current family planning expenditures (FY 2006). The cost to the state would be 10 percent or about \$15 per year.<sup>14</sup>

Over a five year period, the Bureau for Public Health estimates that total savings in Medicaid costs would be \$31.3 million dollars with state savings at \$8.7 million.<sup>15</sup>

### *Policy Implications for Medicaid*

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The Governor and Secretary of the Department of Health and Human Resources have embarked on ambitious efforts to control costs in the Medicaid program. The Family Planning Waiver is an opportunity to save dollars and improve the health of women and infants. It is also an opportunity to support the Title X Family Planning Program permitting its resources to stretch farther and serve more women. In addition, supporting the planning and spacing of pregnancies can save dollars in other social service programs for low income women and children. West Virginia would be well advised to follow

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<sup>13</sup> Draft Family Planning Proposal, March 5, 2008, page 21

<sup>14</sup> Ibid., page 21

<sup>15</sup> Ibid., page 23

the lead of 26 others states who are finding that expanding family planning services to low income women meets both important public health and fiscal objectives.

The West Virginia Center on Budget and Policy is a policy research organization that is nonpartisan, nonprofit, and statewide. It focuses on how policy decisions affect all West Virginians, including low- and moderate-income families, other vulnerable populations, and the important community programs that serve them.

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