



MEDICAID FAMILY PLANNING STATE OPTION

Fewer Unintended Pregnancies & Better Health Outcomes for Families

A Utah Health Policy Project Fact Sheet

April 15, 2010

SUMMARY

The Family Planning Medicaid State Option allows the state to use Medicaid dollars to provide family planning services to women who would qualify for the state's Medicaid program. Family planning services have repeatedly been shown to reduce rates of unintended pregnancy and improved maternal and child health.ⁱ This is why virtually all employer based health plans cover these services.ⁱⁱ By providing these services to families earning less than 133% of poverty (the income threshold for the Baby Your Baby Program) the state will save an estimated \$830,100 per year through a reduction in unwanted pregnancies and improved health outcomes.ⁱⁱⁱ

BACKGROUND

Utah can learn from the considerable experience of the 27 states that provide family planning services to low-income families. Many of these states have now been operating their programs for over a decade and the evidence of their effectiveness in terms of avoiding unintended pregnancies and producing savings for state Medicaid programs is stark. Alabama, for example, served 158,000 women in the first 3 years of its family planning program, prevented 30,500 unintended pregnancies, and saved their Medicaid program \$214 million in reduced pregnancy-related and newborn care.^{vi} States like Arkansas, California, South Carolina, New Mexico, Florida and Oregon have shown similar results.

Frequently Asked Questions

How much will the Family Planning State Option cost?

- \$778,600 in FY2011
- (\$822,400) in ongoing savings beginning in FY2012

Why the Family Planning State Option makes sense for Utah.

- Utah has 350,820 women in need of contraceptive services; v
- Increased access to these services would reduce unintended pregnancies in Utah by 3,700 and cut the abortion rate in half (1,500).^{iv}
- Makes Medicaid operate more like the private market health plans, saving the state \$822,400 per year.ⁱⁱⁱ

What are family planning services?

These services include:

- Contraceptive services & supplies;
- Contraceptive counseling;
- Office visits, examinations, and treatment;
- Family planning related laboratory tests;
- Sexually transmitted disease testing.

MEANWHILE BACK IN UTAH...

Utah Medicaid paid for over 16,000 births in FY2009, one-quarter of all births in the state.^{vii} By extending family planning services to families with incomes less than 133% of Federal Poverty, Utah can expect to prevent 3,700 unintended pregnancies and 1,500 abortions. **Further, after an initial \$778,600 investment, Utah can expect to save \$822,400 per-year in State General Funds.**

CONCLUSION

As Utah wrestles with the budget crisis it will be essential to capture all potential savings within the Medicaid program. Proven cost management mechanisms like the Family Planning State Option will help Utah build on its reputation and track record as one of the most efficient, well managed and high quality Medicaid programs in the country.

Frequently Asked Questions

(continued)

Why are these services important?

Besides improving health outcomes for mothers and their children, family planning services reduce unintended Medicaid births by 1,800 and abortions by 1,500.

What other states have a family planning program?

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

ⁱ Sara Sils, Medicaid 1115 Family Planning Demonstration Waiver Programs, State Health Policy Monitor, August 2007

ⁱⁱ The National Campaign to Prevent Teen and Unplanned Pregnancy, Fast Facts: Existing Family Planning Coverage in Public and Private Insurance Systems, July 2009.

ⁱⁱⁱ Office of the Legislative Fiscal Analyst, HB 281, Medicaid Family Planning Waiver, 2010 General Session (Rep. Seelig), Revised Fiscal Note, February 25, 2010

^{iv} Guttmacher Institute, Expanding Medicaid Eligibility for Family Planning: A Win for the County, A Win for Utah, February 2009

^v Guttmacher Institute, State Medicaid Family Planning Eligibility Expansions, State Policy in Brief, 2009

^{vi} Sils, *supra* note i.

^{vii} Kaiser Family Foundation, State Health Facts, www.statehealthfacts.org