Issue brief

march of dimes

Medicaid Expansion

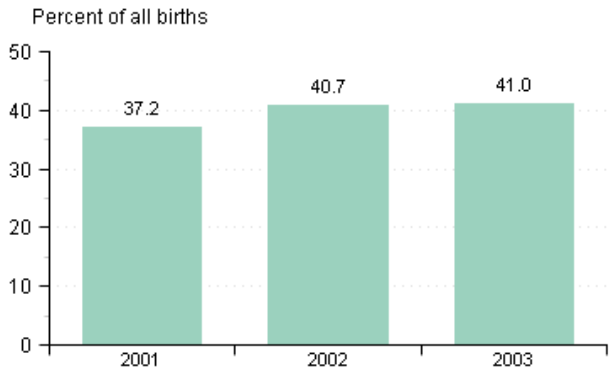
Too often, lack of insurance coverage causes women, children and families to delay or forego both regular preventive care and acute care for illness or injury. As a result, preventable or treatable health issues may grow into significant health problems with long-term consequences.

The Affordable Care Act (ACA) allows states to expand Medicaid programs to cover all nonelderly individuals with income below 133% of Federal Poverty Level (FPL). The ACA stipulates that the federal government will pay 100% of the states' costs for expansion from 2014 through 2016, gradually decreasing to 90% in 2020 and thereafter. The March of Dimes supports expanding each state's Medicaid program to cover these newly eligible populations, particularly women of child bearing age.

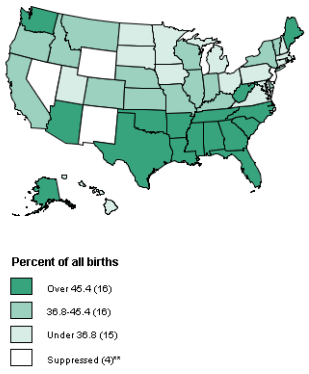
Issue highlights

- Overall, 30.3% percent of individuals newly eligible for Medicaid under the ACA would be women of child bearing age.
- In 2010, over 8 million women of child bearing age with incomes below 138% FPL were uninsured.
- In 2007-2009, only 57% of uninsured women had a usual source of care, compared to over 90% of women with public or private insurance.
- Medicaid currently covers approximately 41% all births across our nation, making it a major payer for maternity services.

Medicaid coverage of births: United States, 2001-2003



Medicaid coverage of births: United States, 2003



Healthy women are more likely to have healthy pregnancies and healthy babies

Overall, 30.3% percent of individuals newly eligible for Medicaid under the ACA would be women of child bearing age. If a state chooses to expand its Medicaid program, low-income women of child bearing age would be able to obtain coverage before and between pregnancies, offering them access to services that could improve their overall and reproductive health. These essential services include screening for high blood pressure and chronic conditions, tobacco cessation, weight loss programs to reduce the risk of gestational diabetes, substance abuse counseling, birth control to space pregnancies appropriately, and other preventive and therapeutic care. Each of these would reduce demonstrated risk factors for poor pregnancy and birth outcomes.

Medicaid currently covers women during but not before or after pregnancy

Today, the vast majority of low-income women are ineligible for Medicaid coverage. Under current federal rules, women are eligible for Medicaid coverage from the onset of pregnancy until 60 days postpartum, after which coverage ends, although some states choose to extend coverage longer. The greatest opportunities to improve the health of a woman and her child during pregnancy, however, occur *before* a woman becomes pregnant. The current structure of Medicaid eligibility significantly limits access to preventive care for low-income women, allowing potentially treatable conditions to go unaddressed until pregnancy is already established.

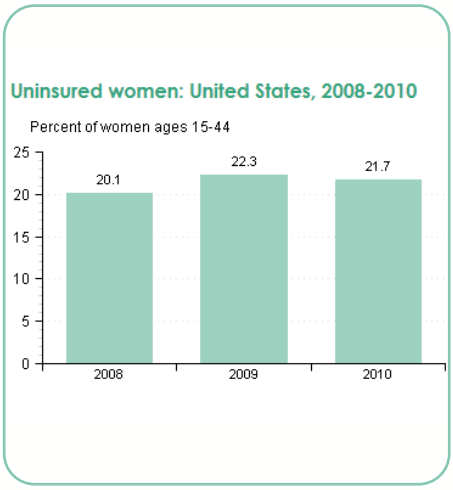
Average first-year medical costs, including both inpatient and outpatient care, are about 10 times greater for preterm infants ($32,325) than for full-term infants ($3,325). Based on these estimates, for every 1,000 fewer babies born preterm, approximately $29 million in first-year medical costs would be saved.

Improving pregnancy and birth outcomes can reduce Medicaid costs

In general, women and children account for a very modest proportion of health care spending, but the aggregate numbers mask important details. Children and their parents comprise 75% of Medicaid beneficiaries, but only 35% of costs. However, while most care for adults and children without disabilities is inexpensive, hospital charges for birth and infant care represent a significant portion of Medicaid hospitalizations and associated costs.

Medicaid covers over 40% of births across our nation, making the program a major payer for maternity services. The proportion of births covered by Medicaid varies widely among states, ranging from 27% of births in New Hampshire to about 64% of births were in Oklahoma. Complex births are more likely to be covered by Medicaid; Medicaid paid for over half (53%) of all hospital stays for preterm and low birthweight infants, and about 45% of infant hospital stays due to birth defects in 2009.

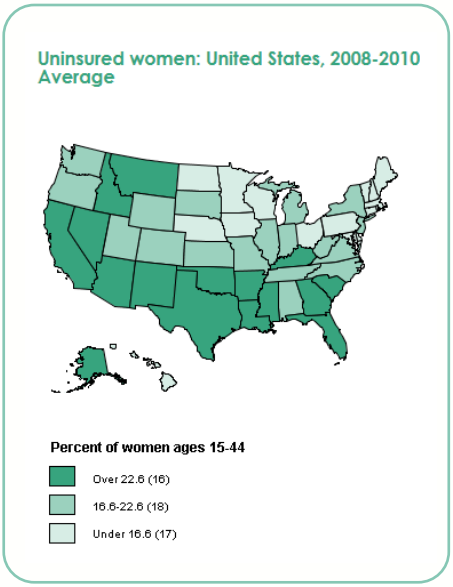
Given that healthy women are more likely to have healthy pregnancies and deliver healthy babies, improving women's preconception and interconception health has the potential to produce savings for Medicaid by improving birth outcomes.



Uninsurance rates among women of child bearing age

Across the nation, over 20% of women of child bearing age lack insurance coverage in any given year. For the years 2008-10, average rates of uninsurance for these women ranged from a low of 6.4% in Massachusetts to a high of 33.5% in Texas.

Lack of insurance has been demonstrated to pose a barrier to both preventive and acute health services. For women, this may mean they are unable to obtain preventive care before pregnancy or prenatal care, depending upon when the pregnancy is identified.



Contact information:
Jeannette Lowe,
jlowe@marchofdimes.com
Cindy Pellegrini,
cpellegrini@marchofdimes.com
March of Dimes Office of Government Affairs, (202) 659-1800