MEMORANDUM

September 30, 2010

TO: Health and Human Services Committee

FROM: Jennifer Renkema, Research Associate
Office of Legislative Oversight

SUBJECT: **Worksession on OLO Memorandum Report 2011-1: An Overview of Publicly-Funded Family Planning Programs**

On October 4, 2010, the Health and Human Services Committee will hold a worksession on Office of Legislative Oversight (OLO) Memorandum Report 2011-1. The Council formally received and released the report on September 21, 2010. This report responds to the Council's interest in learning more about Medicaid waiver family planning programs. Copies of the full report are available online at www.montgomerycountymd.gov/olo and in alternative formats upon request to OLO.

The following representatives from the Executive Branch are scheduled to attend the HHS Committee worksession:

- Dr. Tillman, Montgomery County Health Officer, Public Health Services
- Melanie Wenger, Director, Office of Intergovernmental Relations

OLO recommends the Committee worksession begin with a briefing on the report by OLO staff, followed by comments from the Executive Branch and Committee discussion of the report and next steps.

A. Project Overview

Councilmember Trachtenberg recommended this OLO project based on the report of the Reproductive Health, Education, and Advocacy Workgroup and subsequent issues identified by the Council's Health and Human Services Committee.

The Workgroup's report, issued earlier this year, concluded that teens and low-income women in Montgomery County need improved access to family planning services. To help address this gap, the Workgroup recommended the County advocate for changes at the state level to expand Medicaid coverage for family planning services through a federal Medicaid waiver.

In April, 2010, the HHS Committee agreed this was an issue worth researching further and requested a report to better understand "Medicaid waiver programs" that expand eligibility for Medicaid family planning services, and how such programs have been implemented in other states. The Committee indicated that this report could be used to help the Council decide whether to advocate for changes to Maryland's waiver program during the 2011 General Assembly session.

B. Overview of Findings

Experiences of Other States. Twenty-seven states, including Maryland, have expanded access to Medicaid family planning services using waiver programs approved by the federal Centers for Medicare and Medicaid Services. These waiver programs create special family planning coverage for women who would not otherwise qualify for Medicaid. State waiver programs can be grouped into three broad categories:

- Expansions that provide family planning services based on income;
- Expansions that provide continued family planning services to women who are losing any other Medicaid coverage; and
- Expansions that provide extended family planning services to women who lose coverage after a Medicaid-funded birth.

Besides expanding coverage eligibility, states have implemented various practices to further improve access to services. These include outreach to the target population and potential new providers, simplified enrollment procedures, special confidentiality rules, and eligibility for teens and men.

Several studies show that waiver programs improve access to services by increasing the number of women served, the percent of women in need who access services, and the number of family planning service providers who participate in public programs. One study indicates that income-based waiver programs are more effective than other types of waiver programs at expanding access. Studies also demonstrate that waiver programs produce Medicaid cost savings for states and the Federal Government. Although the impact on unintended pregnancy rates is inconclusive, some evaluations indicate that programs reduce birthrates among the target population and program participants.

Maryland's Current Waiver. Maryland currently has a limited family planning waiver program that provides family planning services to postpartum women with incomes up to 200% of the FPL who would otherwise lose Medicaid coverage after giving birth. Women may be enrolled in the program for up to five years. The State is applying for an extension to the existing waiver, which expires in June 2011.

Proposed Changes to Maryland Family Planning Services. In 2009 and 2010, the General Assembly introduced legislation to expand family planning coverage under Maryland's Medicaid program to women with incomes up to 250% of the FPL (up from 116%). The legislation was withdrawn primarily due to concerns about funding $3 million in start-up costs for the first year of the program. If implemented, however, an income-based Medicaid family planning program would likely generate substantial cost savings in future years as a result of fewer unintended births.

Following Federal health care reform legislation passed earlier this year, Maryland would no longer need a waiver to implement the proposed income-based family planning program.

Attachment: Chapter 5. Summary of Findings

CHAPTER 5. Summary of Findings

The Council requested this Office of Legislative Oversight report to better understand "Medicaid waiver programs" that expand eligibility for Medicaid family planning services, and how such programs have been implemented in other states. This chapter summarizes OLO's findings; earlier chapters provide additional context, including detailed descriptions of federal, state, and county programs that provide family planning services.

In sum, OLO's review of the literature shows that low-income women and young women face much higher risks of unintended pregnancy. To help bridge this gap, 27 states have implemented Medicaid waiver programs. These programs have taken three basic approaches:

- Expansions that provide services based on income;
- Expansions that continue family planning services for women who lose any Medicaid coverage; and
- Expansions that continue family planning services for women who lose coverage after a Medicaid-funded birth.

Several studies show that waiver programs improve access to services by increasing the number of women served, the percent of women in need who access services, and the number of family planning service providers who participate in public programs. One study indicates that income-based waiver programs are more effective than other types of waiver programs at expanding access.

The research demonstrates that waiver programs produce Medicaid cost savings for states and the Federal Government. Although the impact on unintended pregnancy rates is inconclusive, some evaluations indicate that programs reduce birthrates among the target population and program participants.

States have also implemented practices aimed at further improving access to family planning services. These include outreach to the target population and potential new providers, simplified enrollment procedures, special confidentiality rules, and eligibility for teens and men.

Maryland implemented a waiver program in 1995 that extended family planning services to women losing coverage after a Medicaid-funded birth. In 2009 and 2010 the Maryland General Assembly introduced legislation to expand Medicaid family planning services to women based on income. Although the bills were withdrawn – primarily due to concerns about start-up costs – the proposed legislation would have achieved significant long-term savings and improved access to family planning services.

Following federal health care reform legislation passed earlier this year, Maryland would no longer need a waiver to implement the proposed income-based family planning program.

The remainder of this chapter presents OLO's findings in more detail. This chapter, together with the additional background contained in earlier chapters, provides the basis for a Council discussion on whether to advocate for changes to expand eligibility in Maryland for family planning services based on income.

1

Finding #1: Teens and low-income women experience higher rates of unintended pregnancy than other women of reproductive age, exposing them to greater risk of poor health and child development outcomes.

In 2001, nearly half (49%) of all pregnancies in the United States were unintended. Of these pregnancies, 44% resulted in births, 42% in abortions, and 14% in miscarriages. Unintended pregnancy rates vary by age and income. In 2001, the national unintended pregnancy rate among all women was 51 per 1,000 women. In contrast, comparable rates for young women and by income level were:

- 108 per 1,000 among women ages 18-19 and 104 per 1,000 among women ages 20-24,
- 112 per 1,000 among women with incomes below 100% of the federal poverty level (FPL),
- 81 per 1,000 among women with incomes between 100% and 199% of the FPL, and
- 29 per 1,000 among women with incomes over 200% of the FPL.[1]

In Maryland, unintended pregnancies accounted for: 42% of live births from 2001-2005; 79% of births to women under 20; and 64% of Medicaid-funded births (women with incomes up to 250% of the FPL).[2]

The research indicates that unintended pregnancies expose both women and children to greater risk than intended pregnancies. For example, women with unintended pregnancies are at a higher risk for delaying or not receiving prenatal care, which can increase health risks for mothers and babies.[3] They experience higher rates of postpartum depression,[4] have higher morbidity rates, and are more likely to engage in risky behaviors (e.g., smoking, alcohol consumption, or drug use) during pregnancy.[5] Children born from unintended pregnancies have higher rates of preterm delivery and low birthweight;[6] in addition, they experience lower levels of educational attainment, more mental and physical health problems, and a more stressed mother-child relationship.[7]

Finding #2: Publicly-funded family planning programs reduce the number of unintended pregnancies among low-income women and teens. Medicaid funds 71% of all publicly-funded family planning services.

Publicly-funded programs provide access to family planning services for low-income women and teens. The two primary public programs are Medicaid and Title X. Since 1972, federal regulations have required states to provide family planning coverage for individuals who qualify for full Medicaid coverage. Title X is a federally funded grant program established to provide family planning and reproductive health services to low-income women and men. Specifically, these programs offer participants:

- Contraceptive supplies and services, including sterilization;
- Patient counseling and education regarding reproductive health and contraception;
- Breast and pelvic exams;
- Cancer screening;
- Sexually transmitted infection prevention counseling, testing, and referral for treatment; and
- Pregnancy diagnosis and counseling.[8]

---

[1] Finer, L.B. & Henshaw, S.K. (2006). *Disparities in Rates of Unintended Pregnancy*
[2] Maryland DHMH. (2007). *Focus on Unintended Pregnancy Among Maryland Women Giving Birth, 2001-2005*
[3] U.S. DHHS Centers for Disease Control. (n.d.) *Unintended Pregnancy Prevention*
[4] The National Campaign to Prevent Teen and Unplanned Pregnancy. (2008). *Consequences of Unplanned Pregnancy*
[5] U.S. DHHS Centers for Disease Control. (n.d.) *Unintended Pregnancy Prevention*
[6] The National Campaign to Prevent Teen and Unplanned Pregnancy. (2008). *Consequences of Unplanned Pregnancy*
[7] Ibid.
[8] U.S. DHHS Centers for Medicare and Medicaid Services. (n.d.) *State Medicaid Manual*; U.S. DHHS Office of Public Health and Science. (n.d.) *Family Planning*

The Guttmacher Institute estimates that public spending for family planning services in 2006 totaled $1.8 billion. Of this, 71% of expenditures were from Medicaid, 12% from Title X, and 17% from other federal and state programs.[9]

In 2006, these programs allowed nine million clients in the United States to receive publicly-funded family planning services; it is estimated that these services helped women avert about 1.94 million unintended pregnancies. Research shows that:

- Clients of publicly-funded family planning clinics have 78% fewer unintended pregnancies than similar women who do not have access to family planning services;
- Without publicly-funded family planning services unintended pregnancy rates among teens would be 60% higher; and
- Unintended pregnancy rates among women with incomes under 100% of the FPL would double without publicly-funded care.[10]

In 2008, publicly-funded family planning centers in Maryland helped women avert 20,100 unintended pregnancies, including 8,900 unintended births and 8,400 abortions.[11]

Finding #3: Despite the apparent success of publicly-funded family planning programs, in 2006 only about half of women in need of publicly-funded family planning services received care.

The Guttmacher Institute defines a woman as *in need of any* family planning services if she is sexually active, able to become pregnant, and is neither pregnant nor trying to become pregnant. The Guttmacher Institute assumes a woman is in need of *publicly-funded* family planning services if she also:

- Is under 20 years old *or*
- Her income is 250% of the FPL or below.[12]

In 2006, Guttmacher estimated that, nationally, about 17.5 million women needed publicly-funded family planning services; at the state and local level, the estimates were 258,560 women in Maryland and 30,560 women in Montgomery County needed publicly-funded family planning services.

Nationally in 2006, only 54% of women who needed publicly-funded family planning services had access to them.[13] Data on how women accessed services at the state and county level are incomplete. In 2006, about 136,000 women in Maryland, including about 13,000 in Montgomery County, accessed family planning services through a publicly-funded clinic.[14] At best, this means that publicly-funded clinics met 52% of the need in Maryland and 38% of need in Montgomery County. However, since any woman can access care through a Title X clinic regardless of income, the need met (under the Guttmacher definition) might be slightly lower. No data exist about how many additional women in need of publicly-funded services accessed private providers through Medicaid.

[9] Sonfield, et. al., (2008). *Public Funding for Family Planning, Sterilization, and Abortion Services, FY 1980-2006*
[10] Gold, et. al., (2009). *Next Steps for America's Family Planning Program*
[11] Frost, et. al., (2010) *Contraceptive Needs and Services: 2008 Update*
[12] Guttmacher. (2009). *Contraceptive Needs and Services, 2006*
[13] Gold, et. al., (2009). *Next Steps for America's Family Planning Program*
[14] Guttmacher. (2009). *Contraceptive Needs and Services, 2006*

Finding #4: Some states have implemented Medicaid waiver programs to expand eligibility for family planning services. These programs can be grouped into three broad categories.

Twenty-seven states, including Maryland, expand access to Medicaid family planning services using waiver programs approved by the federal Centers for Medicare and Medicaid Services. These waiver programs expand family planning Medicaid coverage to people who would not otherwise qualify for Medicaid and allow states to collect federal funds to cover a portion of the state's program costs.

Waiver programs typically provide the full range of family planning services. In addition, some programs cover "family planning related services," such as treatment for conditions diagnosed during a family planning visit (e.g., sexually transmitted infections). State waiver programs can be grouped into three broad categories:

- Expanded income-based eligibility for family planning services. Twenty-one states extend coverage to participants whose incomes exceed the state limit for other Medicaid coverage.
- Continuation of family planning services. Two states allow women who lose Medicaid for any reason, including birth of a child, to continue receiving family planning services for up to two years.
- Extended postpartum-coverage. Four states allow women who lose Medicaid following the birth of a child to continue receiving family planning services for a longer time (two years or more). Maryland has this type of program.[15]

Under the Patient Protection and Affordable Care Act (PPACA) of 2010, states no longer need to apply for a waiver to expand the family planning service coverage offered under Medicaid. Instead, under the new federal legislation, states may amend their State Medicaid Plan to create a new family planning services coverage group.[16]

Finding #5: Research shows that waiver programs improve access to services and produce Medicaid cost savings. The impact on unintended pregnancy rates is inconclusive. Income-based waivers appear to have the greatest impact on access to services.

Several studies have considered the impact of state waiver programs on access to family planning services, Medicaid cost savings, and unintended pregnancy rates.

Improved Access. Several studies show that family planning expansion programs improve access to family planning services. Specifically, programs increased the number of women served by publicly-funded family planning programs and increased the number and geographic distribution of family planning providers.[17]

One study indicates that income-based expansions are more effective than other types of expansions at improving access in terms of both the number of women accessing services and the percent of women in need of publicly-funded care that access services.[18]

[15] Guttmacher. (2010). *State Medicaid Family Planning Eligibility Expansions*
[16] U.S. DHHS Centers for Medicare and Medicaid Services. (July 2, 2010.) *Family Planning Services Option and New Benefit Rules for Benchmark Plans*
[17] Guttmacher (January 26, 2004). *CMS Study of Medicaid Family Planning Waiver Program*
[18] Frost, et. al., (2004). *Availability and Use of Publicly Funded Family Planning Clinics*

Cost Savings. Studies demonstrate that waiver programs generate savings for states and the Federal Government because family planning services are less costly than a Medicaid-funded birth and subsequent health care for an infant.[19] One study estimates that states and the Federal Government save, on average, about four dollars for every dollar spent on family planning.[20]

Impact on Unintended Pregnancy Rate. OLO's review of three individual state program evaluations found no change either in statewide unintended pregnancy rates or in unintended pregnancy rates among the target population. However, some states have found lower birthrates among certain groups.

- Alabama found a modest decrease in overall birthrate among Medicaid recipients. The state also found a significantly lower birthrate among program enrollees who received services compared to enrollees who did not receive services.
- Data from Wisconsin indicate that teens who received services from the expansion program had a lower birthrate compared to both low-income teens and all teens in the state.[21]

Finding #6: States have implemented various practices aimed at improving access to their Medicaid waiver programs; few of these practices have been evaluated for their effectiveness.

Besides outreach to the target population and to potential new providers, states have implemented a variety of practices meant to help make it easier for clients to access services. Specifically, some states:

- Use simple one-page applications plus state and private databases to determine eligibility;
- Automatically enroll eligible women who lose Medicaid coverage or apply for other public programs;
- Allow women to enroll in the program at clinic sites and reimburse clinics for the cost of assistance;
- Grant "presumptive eligibility" that allows women to apply and receive same-day services while full eligibility is determined;
- Guarantee funding for a first visit while an application is pending;
- Help women access necessary documentation – such as birth certificates – at no cost.

States have also implemented special confidentiality practices for teens and women who are at risk of abuse. Such practices include allowing use of alternate contact information and not billing private insurance when a client has confidentiality concerns.

Some states have also extended eligibility to teens and men. In several states that serve teens, teens may apply independently based on their own income and without parental notification.[22]

---

[19] Guttmacher (January 26, 2004). *CMS Study of Medicaid Family Planning Waiver Program*; Lindrooth, et. al., (2007). *The Effect of Medicaid Family Planning Expansions on Unplanned Births*

[20] Frost et. al., (2006). *Estimating the Impact of Serving New Clients by Expanding Funding for Title X*

[21] Bronstein, J.M. (2006). *Alabama Plan First Evaluation*; Wisconsin Department of Health and Family Services. (2008). *The Wisconsin Family Planning Waiver: Final Evaluation Report for 2003-2007*; Center for Health Services & Policy Research. (2007). *SC Family Planning Waiver*

[22] Sonfield, et. al., (2008). *State Government Innovation in the Design and Implementation of Medicaid Family Planning Expansions*; Guttmacher. (2010). *State Medicaid Family Planning Eligibility Expansions*

There is limited published evaluation data on the effectiveness of these practices. The literature does, however, caution that states with automatic enrollment procedures need special outreach efforts to make sure women know that they are enrolled, what services they can receive, and how to access them. For example, a study of Alabama's waiver program, which uses automatic enrollment for some women, found that 40% of women did not know they were enrolled in the program.[23]

Finding #7: Although Maryland was one of the first states to implement a family planning waiver program, recent evaluation data show the program has declining enrollment and low participation rates.

In 1995, Maryland became one of the first states to receive a waiver from the federal Centers for Medicare and Medicaid Services to extend family planning services to women who were losing Medicaid coverage 60 days after giving birth. The initial waiver has been renewed multiple times, and the current approval period expires June 30, 2011. The State has applied for another extension.

Under the current waiver, Maryland's Family Planning Program provides family planning and related services to postpartum women with incomes up to 200% of the FPL who would otherwise lose full Medicaid coverage after giving birth. After delivery, women who do not qualify or have not applied for full coverage are automatically enrolled in the Family Planning Program for one year. Women can renew their enrollment annually for an additional four years.[24]

A recent evaluation of Maryland's current Medicaid Family Planning Waiver program demonstrates declining enrollment, low participation rates, and limited impact on unintended births.

- Between 2004 and 2009, enrollment declined from about 56,000 to 16,000 participants.
- Enrollment declined steadily between 2004 and 2008. Some of this decline reflects women who enrolled in new Medicaid programs which were implemented in 2006 and 2008 that extended coverage to women with incomes up to 116% of the FPL.
- Three program design factors contributed to 20,000 fewer enrollees at the end of 2009 than at the end of 2007, specifically: (1) reducing the income eligibility from 250% to 200% of the FPL, (2) requiring women to submit annual income documentation, and (3) excluding women with other insurance coverage.
- Throughout the six-year period, Medicaid claims data indicate only about one-quarter of program enrollees actually accessed services in any one year.
- In 2009, the federal Centers for Medicare and Medicaid Services estimates the program only averted 38 births.[25]

[23] Bronstein, J.M. (2006). *Alabama Plan First Evaluation*

[24] U.S. DHHS Centers for Medicare and Medicaid Services. (n.d.) *Details for Maryland Health Choice 1115*; Alice Middleton, DHMH Office of Planning, Personal Communication; Roddy, DHMH Office of Planning, Personal Communication

[25] Maryland DHMH. (2010). *Maryland Health Choice Waiver Section 1115 Renewal Application*, p. 55; Maryland DHMH. (January 4, 2010). Memo: *HB 1279*

Finding #8: In 2009 and 2010, State legislation to expand Medicaid family planning services to women based on income was introduced but later withdrawn, primarily due to concerns about start-up costs. If enacted, it is expected that this legislation would generate significant long-term savings and improved access to family planning services.

Legislation introduced in the Maryland General Assembly in 2009 and 2010 would have improved access to family planning services by expanding Maryland's Medicaid program to provide family planning coverage for women with incomes from 116% to 250% of the FPL. (Women with incomes up to 116% of the FPL already qualify for family planning services through other Medicaid programs.) This would provide parity with Medicaid coverage for pregnant women and align with current eligibility criteria for Title X.

Despite general support for the legislation among committee members and staff at DHMH, it was withdrawn primarily due to anticipated start-up costs of about $3 million in the first year.[26] Maryland's Department of Legislative Services estimated that the cost of the program in FY12 would have been $12.8 million dollars. About 80% of this cost would have been reimbursed by the Federal Government.

After the first year, the program would generate significant net savings, however, the fiscal note does not provide an extensive analysis or a precise estimate of potential Medicaid savings since it is difficult to predict how many unintended pregnancies and births that are currently covered by Medicaid would be averted.[27] An estimate provided by the Guttmacher Institute to Delegate Mizeur suggests the proposed program could achieve nearly 2,800 averted births for a net Medicaid savings of $40 million.[28]

The Department of Legislative Services estimates that in FY12, 68,000 women would have been eligible for the program, and 59% (40,467) of them would have enrolled – significantly increasing the number of women with access to family planning services.[29]

In addition to expanding access under Medicaid, this legislation had the potential to increase capacity for Title X programs. Title X is funded through a federal grant, state appropriations, participant co-pays, and third-party insurance, including Medicaid. If more women were covered by Medicaid, Title X clinics could have more of their expenses reimbursed by Medicaid. This, in turn, could allow clinics to use their other funds to cover the gap between either the actual cost of care and the Medicaid reimbursement or to provide care for additional clients.

Finding #9: The experiences of other jurisdictions indicate that extending Medicaid family planning eligibility to teens and men could further improve access to family planning services for Maryland and Montgomery County residents.

Some states' practices allow teens to qualify for Medicaid family planning services based on their own income and/or to waive parental notification requirements. Including these provisions in Maryland legislation could improve access to family planning services for young women by (1) increasing the number of eligible young women and (2) decreasing confidentiality concerns that prevent some young women from accessing care. Specifically:

---

[26] Jeremy Crandall, Legislative Aide, Office of Delegate Heather R. Mizeur, Personal Correspondence; Maryland DHMH. (January 4, 2010). Memo: *HB 1279*

[27] Maryland Department of Legislative Services. (General Assembly 2010 Session). *HB 1358 Fiscal and Policy Note*

[28] Jeremy Crandall, Legislative Aide, Office of Delegate Heather R. Mizeur, Personal Correspondence

[29] Maryland Department of Legislative Services. (General Assembly 2010 Session). *HB 1358 Fiscal and Policy Note*

- Women under age 19 qualify for full Medicaid coverage, including family planning, under the Maryland Children's Health Program (MCHP) if their household income is up to 200% of the FPL, and, for a premium, up to 300% of the FPL.[30] Allowing teens to qualify for family planning services based on their own income would greatly increase the number of eligible teens. For example, a teen whose family has no insurance but whose income exceeds 300% of the FPL could qualify for care if her personal income was below 250% of the FPL.
- Studies indicate that many teens will not seek family planning services if a parent must be involved.[31] However, in order to enroll in MCHP, young women must have an adult signature.[32] Allowing young women to apply on their own may encourage some who would not otherwise seek care for confidentiality or other reasons to access family planning services.

Making Medicaid family planning services available to men in Maryland could expand access to care for this population as well. According to the Guttmacher Institute, in 2002 only 30% of men in the United States age 20-44 (of any income level) received a reproductive health service. Currently, eight states' waiver programs extend eligibility for family planning services to men.[33] Services to men frequently include education and counseling, barrier method contraceptives, and sterilization services.

[30] Tricia Roddy, DHMH Office of Planning, Personal Communication
[31] Sonfield, et. al., (2008). *State Government Innovation in the Design and Implementation of Medicaid Family Planning Expansions*
[32] Alice Middleton, DHMH Office of Planning, Personal Communication
[33] Guttmacher. (2010). *State Medicaid Family Planning Eligibility Expansions.*