

Yes on HB10-1021 (Frangas and McCann, Foster)

DID YOU KNOW?

The **1978 Pregnancy Discrimination Act** guarantees **maternity coverage** for women either employed by firms with at least 15 employees or who are in a union. However, insurance sold in the individual and small-group markets, as well as many high-deductible plans, often either do not cover maternity care or make coverage available only for an additional fee. **Coloradans who purchase insurance through the individual market should have the same ability to access essential prenatal care services that increase the likelihood of healthy birth outcomes.**

WHY REQUIRE PREGNANCY COVERAGE IN INDIVIDUAL INSURANCE PLANS?

- **One out of every five Colorado women did not receive prenatal care during the first trimester of their pregnancies in 2007, increasing risks for maternal mortality, late diagnoses of complications during pregnancy, and premature and/or low-weight births.¹**
 - Women who receive no prenatal care are three to four times more likely to die from complications during pregnancy than those who receive basic prenatal care.²
 - Premature and/or low-weight births are associated with neonatal respiratory and cardiac distress, jaundice, feeding difficulties, hypoglycemia, sepsis, and long-term developmental, behavioral, or other health problems including physical disability, cerebral palsy, mental retardation, and attention-deficit and hyperactivity disorder.³
 - Medical costs for neonatal care for low-weight births increase dramatically based on the infant's birth weight.

Neonatal Costs for Premature Infants ⁴	
Birth Weight in Grams	Cost per case
500-999 grams (1.1 – 2.2 lbs)	\$224,400 - \$144,000
1,000-1,499 grams (2.2 – 3.3 lbs)	\$92,700 - \$51,900
1,500-1,999 grams (3.3 – 4.4 lbs)	\$33,400 - \$18,900
2,000-2,499 grams (4.4 – 5.5 lbs)	\$9,900 - \$4,300

Weight and cost data from "The Cost of Prematurity: Quantification by Gestational Age and Birth Weight," by WM Gilbert, TS Nesbitt and B Danielsen, in *Obstetrics & Gynecology*, September 2003.

- **More than 130,000 Colorado women who receive insurance through the individual market risk receiving inadequate prenatal care because their plans do not include pregnancy coverage (see Figure A on reverse).**
- **High out-of-pocket costs for maternity care saddle women and their families with thousands of dollars in expenses.** If insurance plans *do* cover pregnancy, extra expenses include high co-pays, expensive riders for coverage, waiting periods for pregnancy care, substandard rates or coverage caps that don't cover the costs of pregnancy and childbirth. The average U.S. hospital cost for an uncomplicated vaginal delivery ranges from \$7,500 to \$15,000 and from \$11,000 to \$19,000 for caesarean delivery.⁵

¹ "Colorado," National Report Card on Women's Health, National Women's Law Center and Oregon Health & Science University, available online at: <http://hrc.nwlc.org/Reports/State-Report-Card.aspx?stateID=COLORADO>.

² "Healthy Pregnancy and Healthy Children: Opportunities and Challenges for Employers," National Business Group on Health, http://www.businessgrouphealth.org/healthtopics/maternalchild/investing/docs/4_businesscasepregnancy.pdf.

³ Ibid.

⁴ "Covering Contraception: A Benefit Guide for Employers," a project of the Jacobs Institute of Women's Health, The George Washington University School of Public Health and Health Services, www.contraceptivecoverage.org, accessed January 2009.

⁵ "Women's Health in Health Care Reform: Essential Insurance Reforms," American College of Obstetricians and Gynecologists, April 2009..

- Of the 9 companies that offer health insurance in Colorado's individual market:
 - Only one offers full maternity coverage;
 - Four will cover only when emergencies and complications arise during pregnancy; and
 - One provides maternity coverage only through a separate "rider."⁶

Figure A: Type of Insurance Coverage for Colorado Women Aged 19 to 64 (2007-2008)⁷			
Insurance Type	Amount	Percent	Income Eligibility
Employer-Sponsored*	979,200	63.2%	N/A
Uninsured	269,100	17.4%	N/A
Individual Plans	130,400	8.4%	N/A
Medicaid	102,400	6.6%	
<i>Childless adults</i>			Not eligible***
<i>Parents with children</i>			<60% Federal Poverty Level (\$8,400)
<i>Pregnant women</i>			<133% FPL (\$13,832 for childless woman)
Other Public Programs**	67,700	4.4%	Varies
<p>*Employer-sponsored plans include both small- and large-group plans. The Colorado Division of Insurance estimates 30% of employer-sponsored plans are self-funded and therefore subject to the federal Employee Retirement Income Security Act (ERISA) rather than state regulation.⁸ The Kaiser Family Foundation reports that while 98.4% of firms with at least 50 employees offered insurance in 2008, just 38.1% of firms with fewer than 50 employees offered insurance.</p> <p>** Includes individuals covered through the military or Veterans Administration in federally-funded programs as well as some non-elderly Medicare enrollees.</p> <p>*** Federal poverty levels as of 2008. Income eligibility limits determined by the State. Subject to available funds and approval by the federal Centers for Medicare & Medicaid Services, House Bill 09-1293, "Medicaid Hospital Provider Fee," increases income eligibility limits for pregnant women and parents with children and enables childless adults to be covered by Medicaid.</p>			

DOLLARS & CENTS OF COVERAGE

- **Pregnancy coverage saves money by improving maternal and child health outcomes:**
 - For every \$1 invested in prenatal care, \$3.33 is saved for postnatal care and \$4.63 in long-term morbidity costs.⁹
 - In 2005, nationwide costs associated with preterm birth, one of the most expensive pregnancy complications linked to lack of prenatal care, totaled over \$26.2 million, or \$51,600 for every infant born prematurely.¹⁰
 - When private insurers reject or exclude maternity coverage, the taxpayer-funded public safety net programs have to fill the gap. **Medicaid covered 37.3% of all births in Colorado** in 2003,¹¹ the most recent year for which data are available.

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⁶ Based on phone interviews with agents who sell individual health insurance plans and Web-based research of available plans in Colorado's individual insurance market conducted by NARAL Pro-Choice Colorado in December 2009.

⁷ "Colorado: Health Insurance Coverage of Women 19-64, states (2007-2008), U.S. (2008)," StateFacts.org, Kaiser Family Foundation. Accessible at <http://www.statehealthfacts.org/profileind.jsp?ind=652&cat=3&rgn=7>.

⁸ "Ensure all FDA-Approved Contraceptive Drugs, Devices and Related Outpatient Services are Covered by all Insurance Products Offered in Colorado," *Planning, Protection, Prevention: Reducing Unintended Pregnancy in Colorado*, 2009, NARAL Pro-Choice Colorado Foundation, available online at: <http://www.preventionfirstcolorado.org/uploads/PPP-Rec.4.Insurance.pdf>.

⁹ See note 2.

¹⁰ Ibid.

¹¹ "Colorado: Births Financed by Medicaid as a Percent of Total Births, 2003," StateFacts.org, Kaiser Family Foundation. Accessible at <http://www.statehealthfacts.org/profileind.jsp?ind=223&cat=4&rgn=7>.