Policy analysis - contraceptive coverage

Literature, Russian Literature

Introduction For this analysis, I have examined the impact of contraceptive coverage on employer-sponsored and individual health plans, as well as its impact on pregnancy rates. I have included the direct costs of the provision of contraception coverage for each insured person, as well as the cost to employers. Finally, I have provided statistics regarding pregnancies, births, abortions, and miscarriages related to contraceptive use and access. It is expected that contraceptive insurance coverage will provide significant cost savings to the insured and to the healthcare system through its direct cost benefits.

Methods/Results/Limitations

I have reviewed actuarial studies, empirical evidence, and public programmatic efforts regarding contraceptive coverage in order to determine the cost to the consumer, to employers, and general costs incurred within the healthcare system. Annually, it is known that public funding for contraceptive coverage aids in the prevention of almost two million unplanned pregnancies, including approximately 400, 000 teen pregnancies (Bertko et. al, 2012). Therefore, 860, 000 unintended births, 810, 000 abortions, and 270, 000 miscarriages are prevented annually; also, those who receive public funding are typically eligible for Medicaid prenatal, delivery, and postpartum services (Bertko et. al, 2012). As a result, for every dollar spent for public funding of birth control, there is a cost savings of four dollars because unplanned births do not occur (Bertko et. al, 2012).

In comparison of 15 different types of contraception, it was determined that the copper-T IUD offered the most cost savings over a five-year period, at $14, 122 (Trussell et. al, 1995). Oral contraceptives during the same period

cost $1, 784 and saved $12, 879 per person, while also preventing 4. 1 unplanned pregnancies (Trussell et. al, 1995).

Although contraceptive coverage costs $100-600 annually, the risk of pregnancy drops from 85 percent to 9 percent with birth control pills and under one percent for patients who use the IUD or hormone implant (Liebman, 2014). Over a two-year period, contraceptive methods yield cost savings in the range of $5, 907 - $9, 936 (Sonnenberg et. al, 2004). At the same time, the cost of payout for a vaginal delivery is $18, 329 and $27, 866 for a C-section (Liebman, 2014).

It is also anticipated that if employers do not provide contraceptive coverage, they will end up paying an additional 15-17 percent due to the costs associated with pregnancy and childbirth (Awhonn, 2009). In 2013, women who had prescriptions for birth control pills saved an average of $269 annually due to co-pays over 2012 rates, when co-pays were not available, and this translates to a savings of $483 million in out-of-pocket costs for consumers (Culp-Ressler, 2014). The assumption taken is that contraceptive insurance coverage will provide significant cost savings to the insured and to the healthcare system through its direct cost benefits. Some of the most important statistics to support this assumption are compiled as follows:

Table 1: Data from the study in 2006 by the National Family Planning program known as Title X (10)

Number of unplanned pregnancies

2, 000, 000, including 400, 000 teen pregnancies

Number of prevented unintended births

860, 000

Number of prevented abortions

810, 000

Number of prevented miscarriages

270, 000

Source: http://www. guttmacher. org/media/nr/2009/02/23/index. html

Table 2: Data from the study done by Washington Business Group on Health, in 2000

Percent increase of cost related to pregnancy and childbirth without contraceptive coverage

15-17 percent

Annual savings of co-pays due to contraceptive coverage

$269 per person/$483 million annually

Cost savings over two years related to the use of contraceptive methods

$5, 907-$9, 936

Annual cost savings per employee when contraception coverage is offered (unplanned pregnancies, cost of contraceptives, absences, and employee replacement

$97

Source: http://www. factcheck. org/2012/02/cloudy-contraception-costs/

The original primary research that determined this figures was done by Washington Business Group on Health, (2000). Systematic review of the original paper was later done by FactCheck Organization (2012) and they gave the following factors on how the figures were determined. The results of the primary research found that employers who provide contraception coverage annually would save up to $ 97 per employee. The savings would

result from when the cost of contraceptives, related absences, unintended pregnancies, and employee employment replacement were considered. Although the original study data/documentation by Global Health Outcomes Inc. was removed from online databases, HHS supports the findings by confirming that when female employees in an organization use contraceptives they are likely to increase the productivity of the organization (Bertko, Glied, Miller, Simmons, & Wilson, 2012). This is because not so many female employees would miss their workdays ensuring that the organization achieves its objective within the stipulated time in the strategic plan.

The study further indicated that the use of contraceptives was important in the women's health. This is because when they were getting advice from their gynecologist the doctor would establish underlying factors if any, and alert the patient before it become too late.

Therefore, the figures fit the analysis in the sense that, they indicate how it would be appropriate for employees to use contraceptive, as it will increase productivity; hence, help the employer to gain more money as the number of employees absent due to pregnancy related issues decrease. Additionally, with the use of contraceptives employees manage how they can ensure that their issues do not affect their careers, as they know how to plan. By so doing, not only will organizations benefit, but also the country, as well as the number of unwanted pregnancies will decrease.

Limitations: The study figures are from several different years, some that occurred before the implementation of the Affordable Care Act, and some from after. However, I would anticipate that the rates of unplanned pregnancy would continue to decline with the contraceptive mandate in

place. I would also anticipate that employer-sponsored health insurance premiums will level out and if increases are evident, they will not be specifically attributed to contraceptive coverage at any point in the near future.

Conclusion

Based upon the analysis conducted and the statistics provided, it is likely that employers will save an average of $97 per employee per year to offer contraceptive coverage. Taking into consideration these factors such indirect costs (loss of productivity and time spent away from work), the costs of the various types of contraception, and the costs associated with unplanned pregnancies (Bertko et. al, 2012).

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