HEALTHCARE REFORM

Contraception Mandate: Managed Care Perceptions and Implications

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In the United States, approximately half of all pregnancies are unplanned.\(^1\) The management of the resulting births, miscarriages, and abortions significantly increases overall resource utilization and costs the healthcare system more than $5 billion annually; the average direct medical cost for a single unintended pregnancy is estimated to be $1,600.\(^2\) The majority of these pregnancies occur in single women in their 20s, and nearly two-thirds of the healthcare expenditure falls into the hands of Medicaid and other publicly funded insurance programs.\(^3,4\) Unplanned pregnancies also significantly increase the risk of preterm birth, low birth weight, low socioeconomic status, low cognitive ability, and cause greater conflict in relationships.\(^5,6,7\) These consequences have been known for many years, as Brown and Eisenberg identified in 1995:

> “With an unwanted pregnancy especially, the mother is more likely to seek prenatal care after the first trimester or not to obtain care. She is more likely to expose the fetus to harmful substances by smoking tobacco and drinking alcohol. The child of an unwanted conception is at greater risk of weighing less than 2,500 grams at birth, of dying in its first year of life, of being abused, and of not receiving sufficient resources for healthy development. The mother may be at greater risk of physical abuse herself, and her relationship with her partner is at greater risk of dissolution. Both mother and father may suffer economic hardship and fail to achieve their educational and career goals. The health and social risks associated with a mistimed conception are similar to those associated with an unwanted conception, although they are not as great.”\(^8\)

Contraceptive use in the United States has been shown to save $19 billion in direct medical costs every year.\(^9\) For every $1 spent on family planning services, more than $4 are saved.\(^10\) In 2001, the Centers for Medicare & Medicaid Services (CMS) began a study that expanded contraceptive coverage to women who were normally ineligible in certain states.\(^11\) Originally projected to be budget-neutral, net Medicaid savings were upwards of $76 million in California after two years.\(^11\) Further analysis of the data predicted that the net savings would be greater than $700 million over ten years if the program was made available to the entire United States population.\(^11\)

Effective August 1, 2012, the controversial contraceptive mandate will be enacted as part of the Patient Protection and Affordable Care Act (PPACA).\(^12\) The plan, developed by the Institute of Medicine (IOM), requires private insurers to cover a variety of preventive services without charging their beneficiaries a copayment or cost-sharing of any kind.\(^12\) The preventive services included in the plan are supported by strong evidence demonstrating improvements in health outcomes. The intent of the mandate is to increase access to preventive care services for women in an attempt to reduce unnecessary