

# Expanding Options for Postpartum Contraception: Evidence Summary



## Background

Currently, Medicaid covered births are reimbursed using a diagnosis related group (DRG) for all care received during their hospital stay. Many new moms want to use Long-acting reversible contraceptives (LARC), such as IUDs and Implants, after the birth of their infant. LARC can be safely inserted immediately following delivery or during the moms hospital stay. However, hospitals and providers may not offer this option since the DRG may not sufficiently cover these services. **Unbundling LARC** insertions from the global fee may support evidence-based provision of immediate postpartum care.

## What is LARC?

- Implants and IUDs are highly effective contraception with minimal side effects.
- When placed postpartum after vaginal or cesarean delivery, LARC have been shown to **decrease rates of unplanned rapid repeat pregnancy which carry health risks for moms and babies.**

## Women in Utah want access to Postpartum LARC

- **In 2010, Utah Medicaid funded nearly 16,000 births or 31% of all births in the state.**
- In Utah in 2010, \$127.6 million was paid by the federal government and **\$30.4 million was paid by the state.**
- A training program at the University of Utah has supplied **~900** LARC devices on Labor & Delivery
- **60%** of women enrolled in an IUD study say **“In the hospital at the time of birth is the “perfect time to have a birth control device placed”**
- Most women continue using their device at a 1-year and beyond.



## OPPORTUNITIES FOR PAYERS AND PROVIDERS

- Improving postpartum initiation of effective contraception, including LARC, is a **key strategy to reduce unintended pregnancy and health inequities.**
- Policy changes that include reimbursement for postpartum LARC placement, reduce unintended pregnancy and reduce rapid, repeat pregnancy rates.
- Payers can reimburse for the additional costs associated with provision of LARC so that they can be reimbursed outside of the single prospective payments (“bundle”).
- If the costs of LARC are not unbundled from the global delivery fee, providers may have a strong financial disincentive to offer LARC in this context.



## SUPPORTING HEALTH AND COST EVIDENCE: SCIENCE BEHIND THE ISSUE

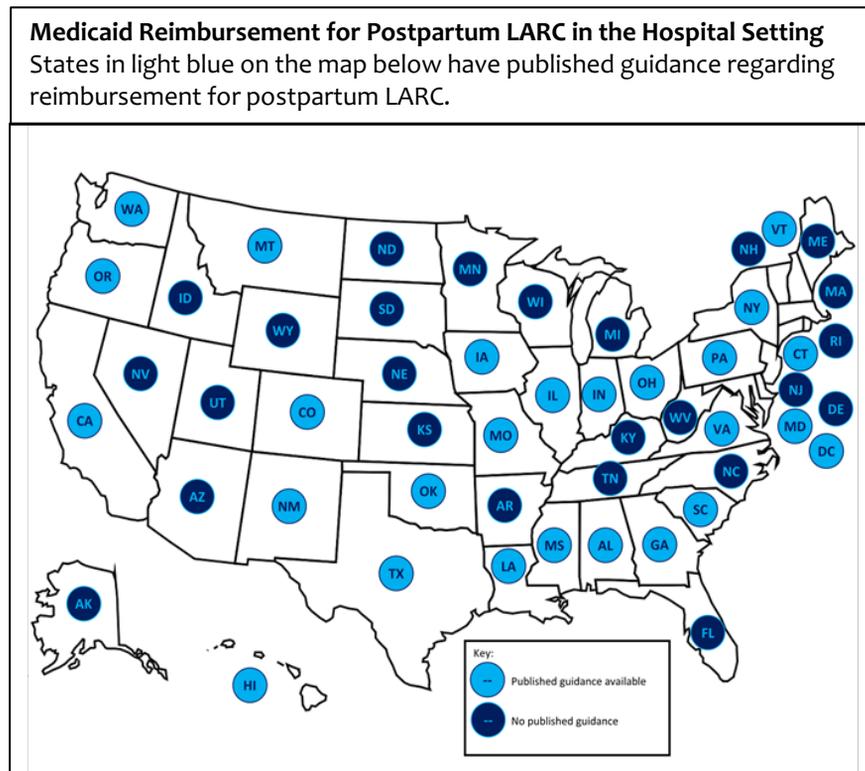
- Postpartum LARC placement averted more than 88 unintended pregnancies per 1,000 women over 2 years, saving ~\$282,540 per 1,000 women over 2 years and more than \$3,200 for each unintended pregnancy.

### An Example from our neighbors:

- At the University of Colorado pregnancy rates at 6, 12, 24, and 36 months postpartum were significantly **LOWER** for individuals who had immediate postpartum LARC.
- At 12, 24, and 36 months, publicly funded IPIs would save more than \$550,000, \$2.5 million, and \$4.5 million, respectively.
- For every dollar spent on the program, \$0.79, \$3.54, and \$6.50 would be saved at 12, 24, and 36 months.

*“ A 25 year old just had her 3<sup>rd</sup> child. She had tried to get an IUD after her 2<sup>nd</sup> son was born but due to the challenges of being a new mom, couldn’t make it to her visit. Now she wants an IUD before she leaves Labor & Delivery.” -an OBGYN, Salt Lake City*

Insurance coverage for postpartum LARC is difficult to obtain due to bundled reimbursements. **This limits access at the critical time when women want to prevent a repeat pregnancy AND they are already accessing healthcare.**



## KEY HEALTH AND COST EVIDENCE MESSAGES FOR PAYERS AND PROVIDERS

Immediate postpartum placement demonstrates potential for improved **health and cost savings** (in terms of averted unintended pregnancies). The reasons cited for low rates of LARC use in the immediate postpartum period are:

- Inability to be reimbursed for the devices outside of the bundled fee for delivery
- high up-front costs of devices
- payment policies that either reduce (or do not provide) reimbursement for devices or placement.

**Changes in billing policy such as coding modifiers to allow reimbursement, have been successful in at least 26 states as of January 2017.**