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How Comprehensive Payment Policies for Medicaid Can Help Patients Gain Access to Long-Acting Contraception

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In the United States, approximately half of all pregnancies are unintended, far more than in other wealthy nations. Two out of every five unintended pregnancies result in abortions. Unintended pregnancies are much more common for women with low incomes – and apart from abortions, they are associated with babies delivered pre-term or at very low birthweights as well as with maternal depression and lifelong health, economic, and social difficulties for families.

One way to help prevent unwanted pregnancies is by offering women, including poor women insured by Medicaid, full access the most effective forms of family planning services. Identified by the Centers for Disease Control as one of the 10 seminal public health achievements of the 20th century, such services are known to promote good health, reduce poverty, and help women advance in the workplace and earn equal pay. Among the most effective methods for preventing unplanned pregnancies, are *long-acting reversible contraception methods* – including intra-uterine devices and subdermal contraceptive implants. These methods are often called "LARC" for short. Numerous studies show that LARC use is associated with a decline in teenage pregnancy and abortion while yielding significant healthcare cost-savings.

Many Women Cannot Afford Long-Acting Contraception

Although highly effective, LARC methods can be too costly for many women. Intrauterine devices and subdural implants cost more up front than standard daily contraceptive pills, and women who use them need additional counseling and follow-up care. Improving access to LARC thus means reducing the financial barriers that can deter providers from stocking these devices and making them readily available to their patients. Although the Affordable Care Act requires that almost all insurance plans must cover all family planning methods, the rules of the U.S. Medicaid system for the poor are silent on whether states must cover and pay for LARC for the estimated 13.5 million women of reproductive health age who depend on Medicaid coverage.

In 2016, the Centers for Medicare and Medicaid Services, the federal agency that administers Medicaid, issued guidelines intended to promote state coverage of long-acting contraception. States are encouraged to use payment reforms to make such forms of contraception more affordable and to encourage providers to offer these highly effective approaches. The idea is to encourage state administrators to facilitate the widespread availability of these cost-effective contraceptive technologies for Medicaid beneficiaries that desire to use them.

Research on Medicaid LARC Coverage and Payment Practices

Our research team surveyed and analyzed the LARC policies and payment practices used in the fifty U.S. states. Carried out in collaboration with officials at the U.S. Centers for Medicare and Medicaid Services, our study reviewed information on state Medicaid LARC coverage and payment policies. We tracked developments in response to landmark recommendations by the U.S. Department of Health and Human Services in 2013 that identify the core elements of appropriate and quality family planning practice – including patient counseling, immediate onsite access to LARC if desired, and follow-up care. Do state Medicaid coverage arrangements line up with those 2013 recommended core elements? We examined fee-for-service state coverage policies summarized in online provider manuals in nine states selected to reflect a variety of geographic, demographic, and political conditions. The states we studied had varied Medicaid policies, and some had expanded the program while others had not.

Our results reveal that eight of nine states examined cover outpatient LARC under Medicaid. But these states vary extensively in how well their coverage measures up to the federal recommendations. California covers all core elements, but most of the other states do not recognize counseling or follow-up care as specific services to be covered by Medicaid. This is problematic, because patients may not learn about LARC options or may require ongoing supervision by a provider to be able to use these technologies effectively, especially if a LARC device must be removed. As of fall 2015, Georgia did not offer outpatient LARC coverage in fee-for-service Medicaid. In addition, Texas reduces or restricts reimbursement for insertion or removal of long-lasting devices in certain circumstances. Pennsylvania flatly bars payment for LARC for women who have received multiple family planning services during a given year (regardless of medical appropriateness) and limits removal to once every three years (potentially prohibiting necessary removals). The District of Columbia does not pay for removals at all.

Lessons for Reproductive Health Policy

The coverage gaps apparent in our study indicate similar restrictions in other state Medicaid programs. These gaps underscore the challenges of ensuring that the most effective and cost-efficient contraceptive technologies are easily accessible for patients who desire them, including lower-income women. Health policymakers today emphasize the need for "value-based" coverage and payments – approaches that deliver high quality at the lowest possible cost – but the gaps in contraceptive coverage we identified suggest the challenges of turning rhetoric into reality. Private insurance, not studied here, might show similar gaps, but Medicaid's transparency has no private insurance equivalent, as private insurers consider the provider manuals to be proprietary secrets.

Despite these limits, Medicaid policy has come a long way. Guidelines issued by the Centers for Medicare and Medicaid Services reflect a growing interest in expanding availability of long-acting contraceptive methods, and states increasingly are showing interest. Numerous studies have documented the challenges poor women face in gaining access to long-acting reversible contraception, and stronger Medicaid coverage and payment policies can help overcome these challenges. The Centers could do even more to encourage the availability of long-acting contraceptive methods by launching an initiative within its Innovation Accelerator Program – a program meant to help Medicaid do exactly what is needed here to propel more rapid adoption of an important health care innovation.

Research and data for this brief were drawn from the authors' forthcoming report.