National Family Planning & Reproductive Health Association

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Medicaid

A Cornerstone of Publicly Funded Family Planning Care

Since the 1980's, Medicaid has been the predominant funding source for publically funded family planning care, particularly in states that have sought and received federal approval to expand their Medicaid eligibility for family planning. Today, Medicaid pays for 75% of all publicly funded family planning services.[i] Medicaid-funded family planning is proven to save federal and state governments money by expanding access to contraception and increasing women's use of more effective contraceptive methods - essential factors in reducing high rates of unintended pregnancy among low-income women.[ii]

Medicaid's importance in providing publicly funded family planning care is only growing as states expand Medicaid eligibility under the Affordable Care Act (ACA) for Americans with incomes up to 138% of the federal poverty level (FPL). Thirty-one states[iii] and the District of Columbia have seized this opportunity, enabling 14.5 million more people to gain Medicaid or Children's Health Insurance Program (CHIP) coverage since October 2013[iv]. In the 19 states that have not expanded Medicaid, eligibility varies greatly and is generally limited to "working parents"—non-disabled, childless adults have not been categorically eligible for Medicaid. The ACA's Medicaid expansion will have a tremendous impact on the ability of low-income individuals to access Medicaid-funded family planning services.

Family Planning is a Required Service Under Medicaid

- Recognizing that investments in family planning are a cost-effective way to improve public health, in 1972 Congress amended the Medicaid program to require that states include family planning services and supplies.
- Medicaid-funded family planning includes a broad range of family planning services and supplies, including the full range of contraceptive methods, pap tests, and other associated examinations and laboratory tests.
- This mandatory benefit is provided at an enhanced matching rate to states, with the federal government paying 90% of the cost for family planning services and supplies.
- Federal law also requires Medicaid-funded family planning be exempt from cost-sharing requirements, such as deductibles and co-pays.[v]

Family Planning and "Freedom of Choice"

- Federal Section 1902(a)(23)(A) of the Social Security Act requires states to allow Medicaid-eligible individuals to receive services from "any institution, agency, community pharmacy, or person, qualified to perform the service or services required . . . who undertakes to provide him such services." Although states can require Medicaid managed care enrollees to obtain health care from certain providers, federal law[vi] makes an exception for family planning services and supplies in most cases—meaning most Medicaid managed care enrollees can receive family planning services from any provider, even if their provider of choice is outside of their managed care network.[vii]
- In recent years, Medicaid's freedom of choice protections have come under attack, with some state governments seeking to exclude abortion providers from participating in their states' Medicaid programs. CMS has rejected those efforts, upholding existing law that protects enrollees' rights to receive services from any qualified provider.[viii] Despite well-established federal protections, 2015 and 2016 have seen a new round of state efforts to exclude abortion providers from Medicaid.
- Twenty-seven states have a Medicaid family planning expansion program; thirteen currently operate their

expansion through a state plan amendment (SPA).

*"In 2013 alone, **publicly funded family planning services helped women avoid 2 million unintended pregnancies**, which would likely have resulted in about 1 million unintended births and nearly 700,000 abortions."*

- The importance of Medicaid family planning expansions continues even as millions of individuals gain insurance coverage under the ACA, helping to ensure access to high-quality family planning services for those in need.

Medicaid Family Planning Expansion Programs

- Since the 1990s, many states have broadened eligibility for their Medicaid programs to provide family planning services and supplies to individuals who are not categorically eligible for Medicaid.[ix]
- According to the Brookings Institution, Medicaid family planning expansion programs are extremely cost-effective, saving nearly $6 for every $1 spent.[x]
- Originally these expansions were done through a Medicaid waiver authorized by §1115 of the Social Security Act. Recognizing the effectiveness of these programs, Congress included in the ACA a provision giving states the option to amend their state Medicaid plans to expand eligibility for family planning services and supplies to individuals who are not pregnant and who have an income that does not exceed the income-eligibility level set by the state for coverage for pregnancy-related care.[xi]

*"**Every $1.00 spent on publicly funded family planning saves $7.09** in Medicaid expenditures that would otherwise be spent on costs related to unintended pregnancies."*

- Twenty-seven states have a Medicaid family planning expansion program; thirteen currently operate their expansion through a state plan amendment (SPA). [xii]
- The importance of Medicaid family planning expansions continues even as millions of individuals gain insurance coverage under the ACA, helping to ensure access to high-quality family planning services for those in need. [xiii]

Budget and Appropriations

- Medicaid is a mandatory spending program, meaning that Medicaid funding does not need to be approved by Congress annually nor is there an annual cap on how much federal money can be spent on Medicaid in a given year, as opposed to discretionary spending programs like the Title X family planning program. Rather, Medicaid is a state/federal partnership, in which states pay providers or managed care organizations and the federal government "matches" state dollars spent.
- Recent federal budget and other "entitlement reform" proposals have included potentially sweeping changes to Medicaid that could ultimately cut hundreds of billions in funding. The political viability of such reforms remains to be seen given that current proposals would essentially shift risks and costs to states and increase the likelihood that many poor and low-income individuals to go without care or to seek uncompensated care in our nation's

emergency rooms, resulting in increased health care costs.[xiv]

Endnotes

[i] FY 2010 data. See Adam Sonfield and Rachel Benson Gold, Public Funding for Family Planning, Sterilization and Abortion Services, FY 1980–2010, Guttmacher Institute, March 2012, accessed March 16, 2016, http://www.guttmacher.org/pubs/Public-Funding-FP-2010.pdf.

[ii] Adam Sonfield and Rachel Benson Gold, Medicaid Family Planning Expansions: Lessons Learned and Implications for the Future, Guttmacher Institute, December 2011, http://www.guttmacher.org/pubs/Medicaid-Expansions.pdf.

[iii] Louisiana adopted Medicaid expansion in January 2016, but the coverage is not yet in effect.

[iv] Centers for Medicare & Medicaid Services, Department of Health and Human Services, "Medicaid & CHIP: December 2015 Monthly Applications, Eligibility Determinations and Enrollment Report," February 29, 2016, http://www.medicaid.gov/medicaid-chip-program-information/program-information/downloads/december-2015-enrollment-report.pdf.

[v] Section 1916(a)(2)(D) of the Social Security Act.

[vi] Sections 1902(a)(23) and 1915(b) of the Social Security Act.

[vii] The Henry J. Kaiser Family Foundation and Guttmacher Institute, Medicaid's Role in Family Planning, October 2007, accessed August 6, 2013, http://www.guttmacher.org/pubs/IB_medicaidFP.pdf.

[viii] Center for Medicaid, CHIP and Survey & Certification (CMCS), Centers for Medicare & Medicaid Services, US Department of Health and Human Services, "CMCS Information Bulletin: Update on Medicaid/CHIP," June 1, 2011, accessed July 29, 2013, http://downloads.cms.gov/cmsgov/archived-downloads/CMCSBulletins/downloads/6-1-11-Info-Bulletin.pdf.

[ix] Rachel Benson Gold, "Back to Center Stage: ACA Decision Gives New Significance to Medicaid Family Planning Expansions," Guttmacher Policy Review, Fall 2012, Volume 15, Number 4, http://www.guttmacher.org/pubs/gpr/15/4/gpr150413.html.

[x] Adam Thomas, Policy Solutions for Preventing Unplanned Pregnancy, Brookings Institution, March 2012, accessed March 7, 2013, http://www.brookings.edu/research/reports/2012/03/unplanned-pregnancy-thomas.

[xi] For more on Medicaid family planning expansions, see "Medicaid Family Planning Expansion Programs," available on NFPRHA's website at www.nationalfamilyplanning.org.

[xii] California, Connecticut, Indiana, Louisiana, New Hampshire, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, South Carolina, Virginia, and Wisconsin. Ohio's family planning SPA is in the process of being phased out.

[xiii] For more on the continuing importance of Medicaid family planning expansion programs, see "Medicaid Family Planning Expansion Programs: Essential Coverage Post-ACA Implementation," available on NFPRHA's website at http://www.nationalfamilyplanning.org/document.doc?id=782.

[xiv] Source for the information in the text boxes: Jennifer Frost, Mia Zolna, and Lori Frohwirth, Contraceptive Needs and Services, 2010, Guttmacher Institute, July 2013, accessed August 5, 2013, http://www.guttmacher.org/pubs/win/contraceptive-needs-2010.pdf.