Medicaid Reimbursement for Immediate Post-Partum LARC

Long-acting reversible contraception (LARC, such as IUDs and contraceptive implants) are safe and highly beneficial when started immediately post-partum. Providing women with easy access to LARC methods, including immediately post-partum, greatly reduces the risk of unplanned pregnancies, and improves the health of newborns and mothers by facilitating healthy spacing between pregnancies.

Currently, the most significant barriers to providing post-partum LARC are related to billing and reimbursement. If these issues are addressed, there is an opportunity to increase the use of the most effective contraceptive methods among women for whom a rapid repeat and unintended pregnancy holds extraordinary risk, thus improving health outcomes. At present time, most state Medicaid programs pay for all labor and delivery services using a single Diagnosis Related Group (DRG) code that does not allow for reimbursement of individual procedures, drugs or devices provided immediately post-partum on a fee-for-service basis. Given the high up-front cost of LARC devices (approximately $400-$1,000),[1] providers and health facilities will not provide LARC at the time of delivery without reimbursement for these methods. Although insertion may occur at a later post-partum clinic visit, the likelihood of a new mother receiving this service falls dramatically if it is delayed.

South Carolina and the Birth Outcomes Initiative

South Carolina is currently the only state where Medicaid covers the cost of insertion and the device immediately post-delivery in addition to its global labor and delivery reimbursement.** South Carolina Department of Health and Human Services (DHHS) enacted a new policy of reimbursement allowing providers to bill for both the insertion procedure and the cost of an IUD or an implant in addition to the DRG by using J-codes with a family planning modifier. This allows for both the delivery and all costs associated with LARC to be reimbursed, promoting a cost-effective, preventive health practice that has the potential to result in Medicaid savings.

[1] Planned Parenthood estimates the total cost of an implant is between $400 and $800 and the total cost of and IUD is between $500 and $1,000 depending on specific device picked. This cost estimate includes insertion fees, cost of device, and follow up visit costs. http://www.plannedparenthood.org/health-topics/birth-control-4211.htm

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This policy shift is the result of the Birth Outcome Initiative (BOI), informed by South Carolina DHHS, the state Hospital Association, the state Primary Care Association, and practicing OB/GYNs. The BOI aims to improve health of newborns/infants in the South Carolina Medicaid program. Participating OB/GYNs reported a commonality among new mothers missing their post-partum appointments, lacking effective contraception and becoming unintentionally pregnant sooner than planned. For reasons listed above, providers and hospitals were reluctant to offer the most effective contraceptive methods for fear of losing already limited revenue. DHHS responded to provider concerns by changing the procedure for immediate post-partum LARC reimbursement for Medicaid.

The Centers for Medicare and Medicaid Services (CMS) and the Centers for Disease Control and Prevention (CDC) have recognized South Carolina's innovative solution and are eager to understand the impact to Medicaid outcomes and expenditures. CMS, CDC and South Carolina are collaborating to produce relevant data and guidance for states that wish to address this issue by implementing similar policies.

Colorado: Medicaid Savings Seen

Colorado is also working to address the barriers to providing immediate post-partum LARC. While the state Medicaid agency does not allow for billing services outside of the labor and delivery DRG code, there is a pilot program involving two urban health care providers (Denver Health and University of Colorado Hospital) offering immediate post-partum LARC at no cost to the patient. The effort, funded by grants, found high patient demand for these services. Program data suggest that policies guaranteeing adequate reimbursement to providers, similar to the one in South Carolina, may lead to significant savings to Colorado Medicaid. Researchers at the University of Colorado School of Medicine compared a control group of pregnant teens who chose not to have a LARC inserted immediately after delivery to a group of teen mothers who did. Analysis of the findings indicates that the State of Colorado could realize a savings of nearly $2.3 million over two years per every 1000 Medicaid-eligible women by removing the barrier to immediate post-partum LARC and reducing unintended pregnancies.[2] [3]

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[2] Tocce K, Sheeder J, Python J, Teal SB. Long Acting Reversible Contraception in Postpartum Adolescents: Early Initiation of Etonogestrel Implant Superior to IUDs in the Outpatient Setting. Journal of Pediatric and Adolescent Gynecology. 2012; 25(1): 59-63.

[3] Han, L, Sheeder, J, Teal, S, Tocce, K (2012). *Cost-effectiveness of Immediate Postpartum Etonogestrel Implant Insertion for Adolescent Mothers.* Denver: North American Forum on Family and Rapid repeat pregnancy in adolescents: do immediate postpartum contraceptive implants make a difference? Tocce KM, Sheeder JL, Teal SB. Am J Obstet Gynecol. 2012 Jun; 206(6):481.e1-7.

Colorado: CDC Analysis Results

The CDC conducted an analysis of contraceptive use among post-partum teens that shows significant increases in use of the most effective methods between 2007 and 2010. Additional data indicate a national decrease in repeat births to teens by 6.2 percent during the same time period. Among the sixteen states included in the CDC report, Colorado has the highest post-partum LARC use among teens, attributed to the work being done by Colorado Initiative to Reduce Unintended Pregnancy. According to a press release by the Colorado Department of Public Health and Environment accompanying the CDC report, the number of repeat births to teens in Colorado decreased 45 percent in 4 years, from 1,183 teens experiencing at least a second birth in 2008, to only 653 repeat births in 2012.[4] The only identifiable reason for this dramatic shift is the increase in LARC use resulting from efforts of the Colorado Initiative to Reduce Unintended Pregnancy. The CDC report clearly outlines the benefits of incentivizing patients and providers, and removing barriers that will allow Medicaid programs to adopt initiatives and policies similar to South Carolina and Colorado.

Suggestions for States:

1) Incorporate the promotion of LARC methods into current efforts to reduce unintended pregnancy and/or improve birth. Consider using Healthy People 2020 objective of reducing teen pregnancy, CDC's Teen Pregnancy Winnable Battler, or a state-specific objective to support efforts.
2) Include Medicaid Management Information System (MMIS) staff in any Medicaid policy discussions related to billing or reimbursement to ensure the necessary changes are made to the claims system to support billing for LARC separately from the labor and delivery DRG codes.
3) Conduct an educational campaign to inform providers/hospitals of the policy and billing/reimbursements changes.
4) Conduct an outreach campaign to inform Medicaid patients of the benefits and availability of post-partum LARC.
5) Ensure a mechanism is in place to measure the impact of the policy change on improved birth outcomes or births averted.

** In addition to LARC, South Carolina Department of Health and Human Services will also cover the cost of Essure Sterilization, with 30 days required prior permission, under the same policy.

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[4] Center for Disease Control. (2013). *Vital Signs: Repeat Births Among Teens — United States, 2007–2010.* Morbidity and Mortality Weekly Report (MMWR). *(http://www.cdc.gov/mmwr)*