



Medicaid Family Planning State Option Expands Access to Health Care *and* Saves Money

A provision included in the Children's Health and Medicare Protection (CHAMP) Act, the Medicaid Family Planning State Option, would allow states to expand Medicaid eligibility for family planning services up to the eligibility level at which the state provides Medicaid coverage for pregnancy-related care, without having to obtain a federal waiver. This cost-saving provision expands access to family planning services, eliminates unnecessary bureaucratic hurdles, and save states and the federal government money.

States Have Already Demonstrated the Benefits of Family Planning Waiver Programs

Twenty states have sought and received federal permission under a federal waiver to extend coverage for family planning services to individuals who otherwise would not be eligible for Medicaid, by providing family planning services to any individual whose income qualifies her or him to receive Medicaid coverage for pregnancy-related care.ⁱ

- These family planning waiver programs have allowed states to serve more low-income individuals *and* save money. A study funded by the Centers for Medicare and Medicaid Services (CMS) found that states as diverse as Arkansas, South Carolina, Alabama, and Oregon each saved at least \$15 million a year as a result of their family planning waivers.

States Need Greater Flexibility to Create and Renew Family Planning Programs

Unfortunately, the process to secure and maintain family planning waivers has become increasingly difficult, requiring *an average of 15 months*ⁱⁱ and a significant investment of staff resources to get a family planning waiver approved.

- Such substantial delays force low-income women to go without needed contraceptive coverage, and cost states millions of dollars in projected savings.

States also have to go through a rigorous process to renew family planning waivers. For example, despite the dramatic success of California's family planning waiver program, the process to renew California's waiver has been lengthy, expensive, and difficult.

- Although the state submitted its request to extend its waiver in May 2004, that request has still not been approved. Instead, the state has received five separate three-month extensions and twenty separate one-month extensions in the intervening time.
- This bureaucratic wrangling threatens women's contraceptive coverage and makes it harder for states to rely on these important programs. This is an urgent problem requiring an immediate solution.

The Medicaid Family Planning State Option Removes Bureaucratic Hurdles

The Medicaid Family Planning State Option gives states the option to expand Medicaid eligibility for family planning services up to its eligibility level for pregnancy related care, without having to secure and maintain a federal waiver.

- *For states that currently have income-based family planning waivers, this new option will free them from the cumbersome renewal process required by CMS. Instead, states with income-based family planning waivers will be able continue their existing family planning programs through state plan amendment, and **without the threat that the Administration will change or eliminate contraceptive coverage that low-income women in the state depend on.***
- *For states that have not yet obtained family planning waivers, the Medicaid Family Planning State Option allows them to expand eligibility for family planning services under Medicaid, directly through state plan amendment, without ever having to obtain a section 1115 federal waiver. **This change will eliminate unnecessary bureaucratic delays that prevent low-income women from the getting contraceptive coverage they need.***

Congressional Budget Office Estimates Savings of \$200 Million Over 5 Years

The Congressional Budget Office determined that the Medicaid Family Planning State Option saves \$200 million over 5 years and \$400 million over 10 years.ⁱⁱⁱ

- This federal savings can be used to offset other health-related spending increases. Importantly, the federal savings is in addition to state savings, not a result of cost-shifting to states.

Family Planning Expansions Improve the Health of Women and Children

Family planning services improve the health of women and their children by preventing unintended and high-risk pregnancies, promoting preventive health behaviors, and often serving as a family's entry into the health care system.

- The National Governors Association considers expanding Medicaid eligibility for family planning an important step states can take to improve birth outcomes.^{iv}
- The Centers for Disease Control and Prevention included family planning among the top ten public health achievements of the 20th century for its impact on women's health and pregnancy outcomes.^v

Voters Strongly Support Efforts to Make Contraceptives More Accessible and Affordable as Part of a Comprehensive Approach to Reproductive Health Issues

The National Women's Law Center and Planned Parenthood Federation of America recently undertook an extensive research project to find out what voters want policy makers to do when it comes to issues surrounding reproductive health issues. The Medicaid Family Planning State Option is exactly the kind of affirmative measure a voters favor as part of a comprehensive approach to reproductive health issues:

- Voters' strongly support (76%) efforts to reduce the number of unintended pregnancies in America through common-sense measures such as comprehensive sex education and access to contraception.
- An overwhelming majority (73%) strongly favor making it easier for women at all income levels to obtain contraceptives.

ⁱ AL, AR, CA, IL, IA, LA, MI, MN, MS, NM, NY, NC, OK, OR, PA, SC, TX, VA, WA, and WI have income-based waivers. AZ, FL, MD, MO, RI, and DE have waivers to extend coverage for family planning services to individuals who have lost Medicaid coverage for various reasons. IN, WY, and MO have waiver applications pending with CMS.

ⁱⁱ GUTTMACHER INST., EXPANDING MEDICAID ELIGIBILITY FOR FAMILY PLANNING: A WIN FOR THE COUNTRY, A WIN FOR ALABAMA 2 (March 2007).

ⁱⁱⁱ CONG. BUDGET OFF., ESTIMATED EFFECT ON DIRECT SPENDING AND REVENUES OF H.R. 3162, THE CHILDREN'S HEALTH AND MEDICARE PROT. ACT, FOR THE RULES COMM. 7 (August 1, 2007), *available at* <http://www.cbo.gov/ftpdocs/85xx/doc8519/HR3162.pdf>.

^{iv} NAT'L GOVERNORS ASS'N CTR. FOR BEST PRACTICES, HEALTHY BABIES: EFFORTS TO IMPROVE BIRTH OUTCOMES AND REDUCE HIGH RISK BIRTHS 5-6 (2004), *available at* <http://www.earlychildhoodnm.com/Documents/NGAHealthyBabiesBrief.pdf>.

^v Ctrs. for Disease Control and Prevention, *Achievements in Public Health, 1900-1999: Family Planning*, 48 MORBIDITY & MORTALITY WKLY. REP. 1073 (1999).