

HB

350

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 26, 1998

FURTHER REFERRALS: Labor and Commerce

Date of Committee Action: 2/19/98

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 350

HOUSE BILL NO. 350

INSURANCE COVERAGE FOR CONTRACEPTIVES

"An Act requiring that the cost of contraceptives and related health care services be included in health insurance coverage."

recommends it be replaced with the following committee substitute _____ the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: House HESS Committee Letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) CEI

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Paul D...</i>		✓		
<i>Joseph ...</i>	✓			
<i>Car B...</i>	✓			
<i>Thomas ...</i>		✓		
<i>Allen ...</i>	✓			
<i>Tom ...</i>				✓

CHAIR'S SIGNATURE *Car B...*

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 350

Revision Date (Note if correction) _____ Dept. Affected Commerce & Economic Development
 Title Insurance Coverage for Contraceptives BRU Insurance
 Component Insurance
 Sponsor Representative Croft
 Requester (H) HES Component Serial No. 354

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill has no fiscal impact on this component.

Prepared by Marianne K. Burke, Director *Marianne K. Burke* Phone 465-2515
 Division Insurance Date 2-6-98
 Approved by Commissioner Deborah B. Sedwick *Deborah B. Sedwick* Date 2-6-98
 Agency Commerce & Economic Development

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HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

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HOUSE OF REPRESENTATIVES



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The Contraceptive Coverage Act

House Bill 350

Letter of Intent

Contraceptive technology is constantly changing, and even medical experts disagree on how certain methods of contraception work. Thus, this committee believes it is unwise for the legislature to dispute specific methods, but that it is very important to clarify the intent of HB 350.

This legislation is intended to require insurance providers in Alaska to cover contraceptives and contraceptive services.

Contraceptives have the primary purpose of, or special utility for, preventing conception.

The committee intends that conception be understood as the fertilization of an ovum.

The committee does **not** intend to require insurance coverage for any appliance, drug or medicinal preparation (or related health care service) the primary purpose of which is to affect a fertilized ovum. Put more plainly, the committee does not intend to mandate coverage for abortions.

A handwritten signature in cursive script that reads "Con Bunde".

Representative Con Bunde
Chairman



REPRESENTATIVE ERIC CROFT

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REPRESENTATIVE ERIC CROFT

Sponsor Statement

The Contraceptive Coverage Act of 1998

"Fewer Abortions, Fewer Orphans"

Most health insurance plans do not routinely cover contraceptives. Nationwide, only one third of health insurers cover oral contraceptives, the most popular method. Only 15% cover diaphragms, only 18% cover IUD's and only 24% cover hormonal implants.

Coverage in Alaska is worse: the three insurance companies which sell the most policies in this state provide no routine coverage for any type of contraceptive (unless the policy purchaser pays extra for it). Neither Blue Cross nor NYLCare (the company that insures state employees) provides contraceptive coverage in their basic package.

While non-prescription contraceptive methods (such as condoms and spermicides) are widely available, the most effective methods (such as oral contraceptives and hormonal implants) are more costly and are obtainable only from a health care provider. Thus, women whose



health care plan does not cover contraceptives do not have access to the most effective methods.

Though most insurance plans provide no contraceptive coverage, they routinely cover abortions, sterilizations, and tubal ligations—all more dangerous and more expensive procedures.

“Fewer Abortions, Fewer Orphans”

Improving private insurance coverage for contraceptive services will increase access to contraception and reduce barriers to effective family planning. It will help more women prevent unintended pregnancy and reduce demand for abortions.

Increased access to contraceptive services will help families plan to bring children into healthy homes when the time is right. Wanted children and their mothers are much less likely to become victims of abuse and neglect. Wanted children tend to succeed more easily in school and in life.

Please join me in this effort to strengthen Alaskan families by broadening the range of contraceptive options available to them.

INSURANCE COVERAGE FOR FAMILY PLANNING SERVICES

In 1995 there were 10,222 births recorded to residents of the State of Alaska. The following information describes demographics of this cohort.

Age of Mother: ¹

- 1140 (11%) births were to adolescents <20 years of age
- 9072 (89%) births were to adult women

Funding for the Birth: ¹

- 39% of all births in the state were funded through Medicaid
- 66% of births to adolescents were funded through Medicaid

Unintended Pregnancies: ²

- 41% of all births were unintended
- 74% of births to adolescents were unintended
- 55% of Medicaid-funded births were unintended
- 69% of Medicaid-funded births to adolescents were unintended

Cost of Medicaid-Funded Births: ³

- Prenatal Care and follow-up care (1993 data) \$6172/year
- Infant Health Care for first year of life (1995 data) \$4256/year

Additional Costs to the State for an unintended pregnancy: ⁴

- TANF \$9852/year
- Food Stamps \$2772/year
- Child Care (school, job training, etc.) \$6000/year
- JOBS Services (Case Mgt., support services) \$2133/year

Birth Control Usage:

- 61% of women who had an unintended pregnancy were not using any method of contraception at the time of conception.²
- 90% of women who had an unintended pregnancy were not using a birth control method or were using it ineffectively at the time of conception.²
- 94% of adolescents who had an unintended pregnancy were not using any method of contraception or were using it ineffectively at the time of conception.²
- During 1991-1994, 16% of Alaskan teen mothers less than 18 years of age were currently sexually active yet not doing anything to prevent a future pregnancy.⁵
- National data has shown that, within a year, a sexually active teenager who does not use a contraceptive has a 90% chance of becoming pregnant.⁶

Cost of Family Planning Services:

- In Alaska, the average cost to Medicaid for family planning services is approximately \$300/yr dependent upon the method of contraception selected and its effectiveness.³
- The cost per method ranges from \$16/year for a diaphragm to \$450 for a Norplant (lasts for 5 years).⁷
- By far, the most common contraceptive used in Alaska are oral contraceptives – costs for this method are approximately \$300/year if purchased through a pharmacy.⁷
- Nationally, it has been shown that every dollar spent for contraceptive services saves an average of \$3 in Medicaid costs for pregnancy-related health care and for medical care of newborns alone.⁹ In Alaska, due to higher costs of medical care, the expected savings would be higher.
- A study completed in California in 1995 showed that the financial cost savings related to contraceptive use to prevent unplanned pregnancies were between \$8,933 and \$14,122, in medical costs, per individual over a five year period, depending on the method of contraception selected and its effectiveness.⁹ In Alaska, due to higher costs of medical care, the expected savings would be higher.
- According to data from the Women's Research and Education Institute, women of reproductive age spend 68% more in out-of-pocket costs than do men, with reproductive health costs accounting for much of the difference. Further, while women may in fact purchase contraceptives on their own, many may choose less expensive and sometimes less effective or medically appropriate methods as a result.¹⁰

Insurance Coverage for Contraceptive Care:

- In general, most women in the US rely on some form of health insurance to help them defray some of their medical expenses. According to a recent study conducted by the Women's Research and Education Institute, 67% of women of reproductive age rely on private, employment-related coverage, obtained through either their own employer or a family member's employer.¹¹
- In the 1993 Alan Guttmacher Institute study of Private Sector Insurance Coverage of Reproductive Health Services, almost half of all typical large group plans (49%) do not routinely cover any contraceptive method at all. Only 15% cover all reversible methods including IUD insertion, diaphragm fitting, Norplant insertion, DepoProvera injection and oral contraception.¹¹
- 97% of traditional fee-for-service plans typically cover prescription drugs in general, however, only 33% cover oral contraceptives, the most commonly used reversible contraceptive method in the United States.¹¹
- 92% of typical large-group plans routinely cover medical devices in general, however, only 18% routinely cover IUDs, 15% cover diaphragms and 24% cover the Norplant device.¹¹

Summary:

Clearly, Alaska has a high rate of unintended pregnancy. Providing appropriate contraceptive services to these women, before they become pregnant, would result in significant cost savings to the State Medicaid program and to private insurers. As illustrated above, the average cost for one year of contraceptive services is approximately \$300, the cost for prenatal care, delivery expenses, and follow-up medical expenses for the mother and child alone is over \$10,000 per year.

Many women in Alaska have access to health insurance, however, private insurance companies typically do not cover contraceptive services. Therefore, women, especially moderate to low income women must make a choice between paying for essential living expenses or paying for contraception. Reproductive health services should be a part of insurance packages offered to people of this state. An ideal plan would recognize the multifaceted nature of individual reproductive health care needs and would include the following core services:

- contraceptive services and supplies,
- contraceptive sterilization (male and female),
- basic infertility services,
- screening for sexually transmitted diseases and cancers of the reproductive system,
- medical services and risk assessment prior to pregnancy, and
- maternity care.¹¹

References

1. Bureau of Vital Statistics/Division of Public Health/DHSS - 1995
2. Pregnancy Risk Assessment Monitoring System (PRAMS)/Section of Maternal, Child and Family Health/Division of Public Health/DHSS - 1995
3. Division of Medical Assistance/DHSS - 1995-1997
4. Division of Public Assistance/DHSS - 1995
5. PRAMS/Section of Maternal, Child and Family Health/Division of Public Health/DHSS - 1991-1994. Family Health Dataline, 1997 Vol. 3 No. 1. "Teen Live Births in Alaska During 1991-1994.
6. Sex and America's Teenagers, The Alan Guttmacher Institute, New York and Washington, ISBN 0-939253-34-8;1994.
7. Section of Maternal, Child and Family Health/Division of Public Health/DHSS - 1996-1997 Family Planning Contraceptive Use Report.
8. Contraceptive Services, Facts in Brief. The Alan Guttmacher Institute, 1997.
9. Trusell et al., "The Economic Value of Contraception: A Comparison of 15 Methods", American Journal of Public Health, April 1995, Vol 85 No. 4.
10. Washington Memo, Bills Aimed at Bolstering Coverage of Contraception Under Private Insurance, No. 3. April 21, 1997.
11. Uneven and Unequal Insurance Coverage and Reproductive Health Services, The Alan Guttmacher Institute, New York and Washington. 1994, ISBN 0-030253-35-6.



Pregnancy Planning and Wantedness Among Mothers of Alaskan Newborns

In this issue PRAMS data are used to look at pregnancy planning and wantedness for Alaskan mothers who delivered a live birth during 1990-1993.*

- 50% of pregnancies resulting in a live birth during 1990-93 were unplanned.
- 9% of women who gave birth during 1990-93 were at risk of unintended pregnancy in the postpartum period.
- Among recent mothers, teenagers were least likely to use birth control during the postpartum period.
- An estimated 23,312 children born during 1990-93 were the result of unplanned pregnancies.

*Some of the data in this Dataline was presented at the 1994 Alaska Health Summit.

Federal funding of the national network of family planning clinics has dropped drastically since 1980.¹ This decrease in funding limits access to family planning services and may directly or indirectly result in unplanned or unwanted pregnancies. Women at-risk for unintended pregnancies are often simultaneously at risk for contracting a sexually transmitted disease² and women with unwanted pregnancies have been found to have four times the odds of experiencing physical violence during or immediately before pregnancy as women with intended pregnancies.

In addition to harmful consequences for the woman, unintended pregnancies may be associated with behaviors during pregnancy that increase the risk for adverse birth outcomes, including a delay of initiation of prenatal care.⁴ A recent study also suggests that wantedness may be a predictor of a child's low educational attainment.⁵

It is important for health and social services providers to identify women at greatest risk of unintended pregnancy so that public health interventions and educational efforts can be directed to the appropriate groups. We used data from the Alaska Pregnancy Risk Assessment Monitoring System (PRAMS) covering birth years 1990-93 to determine the following: indicators of unintended pregnancy, the percentage of unplanned or unwanted births, and birth control practices of postpartum women.

PRAMS is an ongoing survey of mothers of newborns (see May 1995 Dataline for survey methodology). We evaluated answers to the following questions:

1. "Thinking back to just before you were pregnant, how did you feel about becoming pregnant?"
2. "When you got pregnant with this baby were you doing anything to prevent pregnancy?"
3. "Are you now doing anything to prevent pregnancy?"
4. If no to #3: "Why are you not doing anything to prevent pregnancy?"
5. If yes to #3: "What are you using now to prevent pregnancy?"

Question #1 was used as a measure of pregnancy wantedness. Women who answered that they wanted to become pregnant "then" or "sooner" were considered to have had a wanted pregnancy. Women who answered that they wanted to become pregnant "later" or "didn't want to be pregnant then or at any time in the future" were considered to have had a mistimed or unwanted pregnancy, respectively.

Question #2 offered three choices of answers and was used as a measure of pregnancy planning. Women who answered "No, because I planned to get pregnant" were considered to have had a planned pregnancy. Those who answered "No, but I did not plan to get pregnant," or those who answered "Yes, but I got pregnant anyway," were considered to have had an unplanned pregnancy.

Questions #3 through #5 measured the risk of having an unintended pregnancy during the postpartum period. Women who were using contraception, sterile, pregnant, trying to become pregnant, or not having intercourse were considered not at risk of an unintended pregnancy; all other women were considered at risk.

We analyzed data from 6,551 respondents surveyed when their newborn was 5 months old on average. The overall response rate was 75%. Since PRAMS is a population-based survey, the percentages reported reflect the percentages of Alaskan resident women who had a live birth during the period 1990-93. Women who had a live birth but put their baby up for adoption at birth or shortly thereafter are excluded from PRAMS.

Pregnancy Planning and Wantedness

From 1990 to 1993 no trends were apparent for the percentages of unplanned, mistimed, or unwanted pregnancies. During this period, 49.7% of all pregnancies were unplanned, 31.7% were mistimed, and 12.0% were unwanted. Over one-third (38.8%) of live births to Alaska residents during 1990-93 were both unplanned and mistimed or unwanted.

Women less than 20 years of age at the time of delivery had the highest percentage of unplanned (74.2%) and mistimed (53.2%) pregnancies, whereas women 30 years and older had the highest percentage of unwanted pregnancies (15.5%) (Table 1). Among different racial groups, blacks had the highest percentage of unplanned (68.7%), mistimed (42.1%), and unwanted (23.4%) pregnancies followed by Alaska Natives (58.7, 35.7, and 16.8%, respectively). Annual family income was inversely related to the percentage of unplanned, mistimed or unwanted pregnancies for all income groups evaluated.

For the period 1990-93, 22.4% of Alaska women reported they were attempting to prevent pregnancy but they got pregnant anyway.

Birth Control Choices

We found that 86.6% of respondents were currently doing something to prevent pregnancy, including 80.6% who used a method other than abstinence. The most common methods of birth control were, in descending order: oral contraceptives ("the pill"), condoms, and sterilization (either the woman or her partner). Sterilization decreased by 17% from 1990 (15.4%)

to 1993 (12.8%). By contrast, write-in responses of Norplant and Depo Provera (these two contraceptives were not listed as specific response options on the survey) increased substantially during 1990-93 (0 to 2.6% and 0 to 6.7%, respectively). Reported abstinence increased 34% from 1990 (5.6%) to 1993 (7.5%). Postpartum abstinence during the four-year period for teen mothers was 12.9%, compared with 5.4% for 20-29 year-olds and 4.8% for mothers 30 years and older.

Use of birth control methods other than abstinence differed dramatically by race with the lowest percentage of reported users among Alaska Natives (67.4%) followed by Asians (77.8%), whites (84.6%), and blacks (88.1%). Recent mothers <20 years old were the age group least likely to use birth control (70.5%) followed by 30 years and older (81.1%) and 20-29 year olds (82.2%). Women whose family income was \$10,000 or less had the lowest percentage of current use of birth control (67.5%) followed by women with an annual income of \$10,001-30,000 (82.4%), \$30,001-50,000 (84.7%), and greater than \$50,000 (86.2%).

Thirteen percent of women responded that they were currently not doing anything to prevent pregnancy. The most common reasons for not using a method to prevent pregnancy were the respondent wanted to get pregnant again or was already pregnant, she did not believe in the use of birth control, and her husband or boyfriend didn't want her to use birth control.

At Risk of Unintended Pregnancy

The percentage of postpartum Alaska women at risk of unintended pregnancy during 1990-1993 was 9%; this percentage declined 34%, from 10.2% in 1990 to 6.8% in

1993. In Alaska, those women who were <20 years of age, had <12 years of education, were not married, or had a family income of \$10,000 or less were at greater risk of an unintended pregnancy (Table 2). The risk for unintended pregnancy varied by race with the highest percentage among Alaska Natives (19.4%) followed by Asians (10.2%), whites (5.7%) and blacks (5.1%).

If our results are applied to the total Alaska population (using 1990 census data), 23,312 children born during 1990 to 1993 were the result of unplanned pregnancies and 5,233 were the result of an unwanted pregnancy. These unplanned, mistimed, and unwanted pregnancies occurred disproportionately among teenage mothers, poor women, and women of black or Alaska Native race. Because a number of serious adverse health and education outcomes to both the mother and infant may result from unwanted or unplanned pregnancies, these results suggest the potential for a crisis situation, particularly among those groups who are already most disadvantaged.

The high percentage of postpartum teenagers who had an unplanned or unwanted birth suggests that increased emphasis should be placed on providing families or schools with the resources to teach family planning concepts. Additionally, clinics in the national network of family planning clinics provide the primary source of contraceptive services for women with low income, particularly teenagers. These clinics provide sites where increased outreach efforts may be effective. In particular, effective family planning methods which

Table 1. Percent of women with unplanned, mistimed or unwanted* pregnancies resulting in a live birth by age and race, Alaska, 1990-93.

Indicator	% Unplanned (SE†)	% Mistimed (SE)	% Unwanted (SE)
<u>Maternal Age at Delivery</u>			
<20 years	74.2 (2.1)	53.2 (2.5)	14.1 (1.5)
20-29 years	49.9 (1.0)	34.6 (1.0)	9.7 (0.6)
30 years and older	41.4 (1.3)	19.4 (1.1)	15.5 (1.0)
<u>Race</u>			
White	45.8 (1.0)	30.0 (1.0)	9.9 (0.6)
Black	68.7 (4.2)	42.1 (4.6)	23.4 (4.0)
Alaska Native	58.7 (0.8)	35.7 (0.8)	16.8 (0.6)
Asian/Other	48.8 (3.5)	29.8 (3.4)	11.8 (2.5)
<u>Annual Family Income</u>			
<\$10,000	68.5 (1.4)	42.6 (1.7)	17.3 (1.3)
\$10,001-30,000	54.6 (1.2)	35.4 (1.2)	12.9 (0.8)
\$30,001-50,000	40.3 (1.7)	27.6 (1.6)	9.0 (0.9)
>\$50,000	31.6 (1.7)	20.6 (1.5)	8.4 (1.0)
Overall 1990-93	49.7 (0.7)	31.7 (0.7)	12.0 (0.5)

* Mistimed and unwanted categories are mutually exclusive.
† Standard error

Table 2. Percent of postpartum* Alaska women who were at-risk† for having an unintended pregnancy, 1990-93.

Indicator	%	(SE‡)
<u>Maternal Age at Delivery</u>		
<20 years	12.8	(1.3)
20-29 years	8.7	(0.4)
30 years and older	8.1	(0.6)
<u>Race</u>		
White	5.7	(0.4)
Black	5.1§	(1.7)
Alaska Native	19.1	(0.6)
Asian/Other	10.1	(2.0)
<u>Education</u>		
<12 years	17.3	(1.2)
12 years	9.1	(0.5)
>12 years	9.1	(0.6)
<u>Marital Status</u>		
Married	6.0	(0.4)
Other	11.9	(0.6)
<u>Annual Family Income</u>		
<\$10,000	15.1	(1.0)
\$10,001-30,000	9.4	(0.6)
\$30,001-50,000	6.4	(0.8)
>\$50,000	4.7	(0.7)
Overall 1990-93	9.0	(0.3)

* On average, 5 months postpartum

† Women who were using contraception, sterile, pregnant, trying to become pregnant, or not having intercourse were considered not at risk of an unintended pregnancy; all other women were considered at risk.

‡ Standard error

§ Cell size < 20

are appropriate to the individual seeking services should be emphasized. We found that most postpartum women choose oral contraceptives, condoms, and sterilization although an increasing number of postpartum women are choosing abstinence or progestin implants or injections for contraception.

National data from 1988 showed that 7% of females aged 15-44 years were at risk of unintended pregnancy.⁶ By comparison, Alaska's prevalence of 9% of postpartum women at risk of an unintended pregnancy may be an underestimate since we assumed that all women using contraception are fully protected. Interestingly, while the percentage of Alaskan women at risk of an unintended pregnancy decreased by 34% from 1990 to 1993, the percentage of unplanned or unwanted births showed no distinct trend during this time period. As suggested by the 22% of women who attempted to prevent pregnancy but got pregnant anyway, one explanation for these results may be that many women use contraceptive methods

incorrectly or inconsistently. Persons teaching family planning methods should emphasize the correct and consistent use of the various contraceptive methods.

Our data have two significant limitations. PRAMS collects information from postpartum women and this data may not be generalizable to all women of childbearing age. In addition, PRAMS cannot provide a true contraceptive failure rate since it does not ascertain details of use.

⁷ Alan Guttmacher Institute. Even as politics improve, challenges facing family planning providers mount. Washington Memo. Jan 12, 1993, pp3-4.

² Kost K, Forrest JD. American women's sexual behavior and exposure to risk of sexually transmitted diseases. *Fam Plann Perspect* 1992;24:244-54.

³ Gazmararian JA, Adams MM, Saltzman LE, et. al. The relationship between pregnancy intendedness and physical violence in mothers of newborns. *Obstet Gynecol* 1995 Jun; 85(6):1031-8.

⁴ Cartwright A. Unintended pregnancy that leads to babies. *Soc Sci Med* 1988;27:249-54.

⁵ Myhrman A, Olsén P, Rantakallio P, Läärä E. Does the wantedness of a pregnancy predict a child's educational attainment? *Fam Plann Perspect* 1995;27:116-9.

⁶ From Data to Action: CDC's public health surveillance for women, infants, and children. US Department of Health and Human Services, Public Health Service, Centers for Disease Control and Prevention.

Contributed by:
Kathy Perham-Hester MS, MPH

Family Health Dateline is a monthly publication of the Alaska Department of Health and Social Services, Division of Public Health, Section of Maternal, Child, and Family Health, 1231 Gambell Street, Anchorage, AK 99501. (907) 274-7626 (fax) 277-6814.

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Testimony Regarding

HB 350 - CONTRACEPTIVE COVERAGE ACT OF 1998

**Before the
HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE
ALASKA HOUSE OF REPRESENTATIVES
February 10, 1998**

**Presented by
Angela M. Salemo, ACSW
Executive Director,
National Association of Social Workers Alaska Chapter**



ALASKA CHAPTER

**NATIONAL ASSOCIATION OF SOCIAL WORKERS
ALASKA CHAPTER**

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The National Association of Social Workers (NASW) is the world's largest organization of professional social workers. NASW's 155,000 members nationwide and 500 in Alaska work in a wide range of settings at all levels in the public and private sectors. Professional social workers focus on vulnerable populations and promote state and federal policies which enhance the lives of the people we serve.

NASW strongly supports HB 350 and urges its passage.

- The most effective methods of contraception such as oral contraceptives and hormonal implants are costly and obtainable only from a health care provider. Working women whose health care plans do not cover contraceptives are denied the most effective methods of family planning.
- Currently, over 60% of health insurance providers exclude coverage for contraceptive drugs. Contraception is the only FDA-approved prescription drug benefit regularly excluded by insurers, even though contraceptives are the most widely used drug for women between the ages of 18 and 44. Ironically, insurers regularly cover abortions and sterilization, measures more costly and extreme than simply covering contraceptives.
- Research done by the Alaska Division of Public Health shows that **half the births in Alaska are unplanned**. Improving private insurance coverage for contraception services will increase access to contraception, reduce barriers to effective family planning, and reduce demand for abortion.
- Unwanted childbearing has been linked with costly consequences for families, children and the state. Unwanted children:
 - experience more mental handicaps and are twice as likely to receive psychiatric care;
 - are more than twice as likely as wanted children to have a record of juvenile delinquency;
 - are six times more likely to receive some form of welfare between the ages of 16 and 21;
 - are at increased risk of suffering abuse, neglect, abandonment and removal to foster homes or institutions.
- Although opponents have argued that insurance costs may rise as a result of this measure, compared to the costs of an unplanned pregnancy, covering contraceptives is a bargain. The costs for prenatal care, labor and delivery and infant care are enormous. If unintended pregnancies are prevented by insurance-covered contraceptives, health care costs will actually decline.

Thank you for the opportunity to provide testimony on this matter.

Steven Schellong
Mailing address:
733 W 4th Ave. 9865
Anchorage, AK 99501

February 9, 1998

Representative Con Bunde, Chair
Health, Education & Social Services Committee

Via Fax 907-465-3871

RE: HD 350 / SB 260

Dear Representative Bunde:

I strongly support the Contraceptive Coverage Act (HB350/SB260) requiring Alaska health insurers to cover the cost of contraceptives.

This bill will provide better access to birth control for women and men. This will reduce the number of unwanted pregnancies and abortions.

Please support this bill and please copy this letter to all members of the Health, Education & Social Services Committee.

Respectfully


Steven Schellong

Leann Ferry
Mailing address:
733 W. Ave. #865
Anchorage, AK 99501

February 9, 1998

Representative Con Bunde, Chair
Health, Education & Social Services Committee

Via Fax 907-465-3871

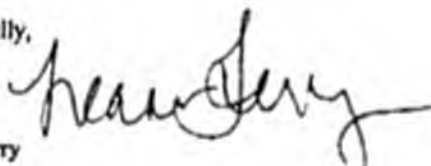
RE: HB 350 / SB 260

Dear Representative Bunde:

I strongly support the Contraceptive Coverage Act (HB350/SB260) requiring Alaska health insurers to cover the cost of contraceptives. This bill will provide better access to birth control and will reduce the number of unwanted pregnancies. This will result in fewer abortions.

Please support this bill and please copy this letter to all members of the Health, Education & Social Services Committee.

Respectfully,



Leann Ferry

ALASKA DEMOGRAPHIC, BIRTH, PREGNANCY INTENDEDNESS AND CONTRACEPTIVE ACCESS/COST INFORMATION

In 1995, there were 10,222 births recorded to women residents of the State of Alaska. The following numbers provide a limited description of these women, the financial costs related to these births and contraceptive use, cost and access information.

Age of Mother: ¹

- 1140 (11%) births were to adolescents <20 years of age
- 9072 (89%) births were to adult women

Funding for the Birth: ¹

- 39% of all births in the state were funded through Medicaid
- 66% of births to adolescents were funded through Medicaid

Unintended Pregnancies: ²

- 41% of all births were unintended
- 74% of births to adolescents were unintended
- 55% of Medicaid-funded births were unintended
- 69% of Medicaid-funded births to adolescents were unintended

Cost of Medicaid-Funded Births: ³

- Prenatal Care and follow-up care (1993 data) \$6172/year
- Infant Health Care for first year of life (1995 data) \$4256/year

Additional Costs to the State for an unintended pregnancy: ⁴

- ATAP \$9852/year
- Food Stamps \$2772/year
- Child Care (school, job training, etc.) \$6000/year
- JOBS Services (Case Mgt., support services) \$2133/year

Birth Control Usage:

- 61% of women who had an unintended pregnancy were not using any method of contraception at the time of conception. ²
- 90% of women who had an unintended pregnancy were not using a birth control method or were using it ineffectively at the time of conception. ²
- 94% of adolescents who had an unintended pregnancy were not using any method of contraception or were using it ineffectively at the time of conception. ²

- During 1991-1994, 16% of Alaskan teen mothers less than 18 years of age were currently sexually active yet not doing anything to prevent a future pregnancy.⁵
- National data has shown that, within a year, a sexually active teenager who does not use a contraceptive has a 90% chance of becoming pregnant.⁶

Cost of Family Planning Services:

- In Alaska, the average cost to Medicaid for family planning services is approximately \$300/yr. dependent upon the method of contraception selected and its effectiveness.³
- The cost per method ranges from \$16/year for a diaphragm to \$450 for a Norplant (lasts for 5 years).⁷
- By far, the most common contraceptive used in Alaska are oral contraceptives – costs for this method are approximately \$300/year if purchased through a pharmacy.⁷
- Nationally, it has been shown that every dollar spent for contraceptive services saves an average of \$3 in Medicaid costs for pregnancy-related health care and for medical care of newborns alone.⁸ In Alaska, due to higher costs of medical care, the expected savings would be higher.
- A study completed in California in 1995 showed that the financial cost savings related to contraceptive use to prevent unplanned pregnancies were between \$8,933 and \$14,122, in medical costs, per individual over a five year period, depending on the method of contraception selected and its effectiveness.⁹ In Alaska, due to higher costs of medical care, the expected savings would be higher.
- According to data from the Women's Research and Education Institute, women of reproductive age spend 68% more in out-of-pocket costs than do men, with reproductive health costs accounting for much of the difference. Further, while women may, in fact, purchase prescription contraceptives on their own, many may choose less expensive and sometimes less effective or medically inappropriate methods as a result of having to pay these costs out of pocket.¹⁰

Insurance Coverage for Contraceptive Care:

- In general, most women in the US rely on some form of health insurance to help them defray some of their medical expenses. According to a recent study conducted by the Women's Research and Education Institute, 67% of women of reproductive age rely on private, employment-related coverage, obtained through either their own employer or a family member's employer.¹¹
- In the 1993 Alan Guttmacher Institute study of Private Sector Insurance Coverage of Reproductive Health Services, almost half of all typical large group plans (49%) do not routinely cover any contraceptive method at all. Only 15% cover all reversible methods including IUD insertion, diaphragm fitting, Norplant insertion, DepoProvera injection and oral contraception.¹¹

- 97 % of traditional fee-for-service plans typically cover prescription drugs in general, however, only 33% cover oral contraceptives, the most commonly used reversible contraceptive method in the United States.¹¹
- 92% of typical large-group plans routinely cover medical devices in general, however, only 18% routinely cover IUDs, 15% cover diaphragms and 24% cover the Norplant device.¹¹

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