LB 599: Restoring Prenatal Care in Nebraska

Background

On March 1, 2010, the state reversed a decades old policy of providing prenatal care for all low-income Nebraska children, terminating prenatal care for nearly 1,600 low-income women and unborn babies at that time, and leaving many unborn babies without prenatal care over the last two years. The federal government did not require the state to end this coverage. Rather, in its November 30, 2009 letter to the Nebraska Department of Health and Human Services, the Centers for Medicare and Medicaid Services (CMS) specifically suggested that while the state could not cover unborn children under Medicaid, it could continue to cover unborn children under the Children's Health Insurance Program by submitting a state plan amendment. LB 599 would require the state to do just that.

Nebraska can restore critical prenatal coverage to women and babies under federal law.

- The Children's Health Insurance Program (CHIP) regulations give states the option to provide prenatal health services to the unborn children of women who are not otherwise eligible for pregnant women coverage under Medicaid by enrolling the unborn child in CHIP. *See* 42 CFR 457.10; 67 Fed. Reg. 61955-61974 (October, 2002). The unborn child, rather than the pregnant woman, is the recipient of CHIP-funded services.
- Importantly, this allows the state to draw down federal matching dollars at the enhanced CHIP match rate of over 69%. This is a greater match rate than the state receives for prenatal care coverage for women under Medicaid.
- In order to take up the option, a simple State Plan Amendment to Nebraska's CHIP State Plan would need to be submitted to CMS. The state would then create a separate CHIP program to cover unborn children. A separate program can be set up solely for unborn children that are otherwise ineligible for Medicaid coverage and is not complicated administratively.

Prenatal coverage makes good fiscal sense.

- Every $1 spent on prenatal care can save between $2.57 and $3.38 in later costs by avoiding premature and low birth weight babies, preventable birth defects, and difficult births.[i]
- Costs of a complicated birth range from $20,000 to $400,000 per baby, compared to about $6,400 for a "normal" uncomplicated delivery.[ii]
- Babies born too soon and too small can require increased hospitalization to deal with complications, including time in a neonatal intensive care unit (NICU), at a cost ranging from $1,000 to $2,500 per day.[iii]
- Prenatal care helps avoid longer term and more expensive costs to Nebraska taxpayers. The unborn children that would be eligible for prenatal coverage under LB 599 will be eligible for Kids Connection when they are born. Kids Connection then will help pay for whatever health needs that child will face when they are born.
- The immediate costs of premature and complicated births do not even capture the long-term costs to our health care and educational systems for babies who will struggle with physical, cognitive, and developmental challenges throughout their lives.

Sixteen other states and the District of Columbia provide prenatal care services to all low-income women and babies.[iv]

- States that currently provide coverage under the CHIP unborn child option are: Arkansas, California, Illinois, Louisiana, Massachusetts, Michigan, Minnesota, Oklahoma, Oregon, Rhode Island, Tennessee, Texas, Washington, and Wisconsin.
- New York, New Jersey, and the District of Columbia provide prenatal care to all low-income women, using state-only funds to cover women who are otherwise ineligible for Medicaid.

Nebraska had a long and proud tradition of ensuring that every baby born in Nebraska had the chance at a healthy start in life. LB 599 will return Nebraska to that proud tradition.

IT IS GOOD HEALTH POLICY. IT IS FISCALLY RESPONSIBLE.
IT IS THE RIGHT THING TO DO.

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[i] Robin D. Gorsky and John P. Colby, Jr., “The Cost Effectiveness of Prenatal Care in Reducing Low Birth Weight in New Hampshire,” Health Services Research, 24:5, December 1989, pp. 583-598; Behrman, R.E., Chairman, Committee to Study the Prevention of Low Birthweight, Institute of Medicine: Preventing Low Birthweight. National Academy Press, Washington D.C., 1985, p. 237.

[ii] Laman J, King M. Promoting health babies. NCSL Legisbrief, National Conference of State Legislators; Feb. 1994, as cited in
March of Dimes, “National Perinatal Statistics,” http://www.marchofdimes.com/aboutus/680_2203.asp

[iii] Krebs G. Maternity medical case management: a study of employer attitudes. Presentation before the National Managed Health
Care Congress; Dec. 9, 1993, as cited in March of Dimes, “National Perinatal Statistics,” http://www.marchofdimes.com/aboutus/680_2203.asp

[iv] Kaiser Commission on Medicaid and the Uninsured and Georgetown University Center for Children and Families, “Performing Under Pressure: Annual Findings of a 50-State Survey of Eligibility, Enrollment, Renewal, and Cost-sharing Policies in Medicaid and CHIP, 2011-2012,” January 2012, Table 6, http://www.kff.org/medicaid/upload/8272.pdf