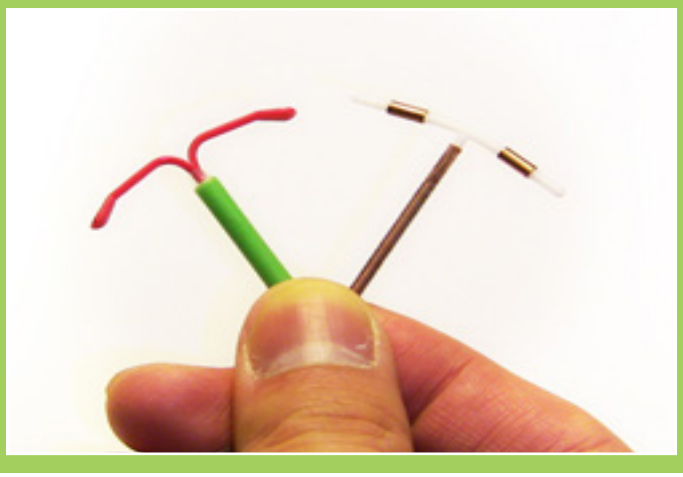
State Strategies to Increase Access to LARC In Medicaid:

Unbundling Reimbursement for LARC in Georgia



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Introduction

Unplanned pregnancies present a challenge for many women, their families, and communities, and are associated with a number of costly health outcomes, including delayed prenatal care, premature birth and low birth weight. Public insurance programs, including Medicaid and the Children's Health Insurance Program (CHIP), bear a significant financial burden for unplanned pregnancies in the U.S., covering nearly 1 million unplanned births a year at an annual cost of over $21 billion. In an effort to improve health outcomes and cost-savings, many Medicaid agencies are partnering with other state programs and stakeholders to promote well woman care and healthy birth spacing. One promising strategy is to increase access to the most effective contraception, specifically long-acting reversible contraception (LARC). LARC includes the intrauterine device (IUD) and the birth control implant; five types of IUDs (Kyleena, Liletta, Mirena, ParaGard and Skyla) and one type of contraceptive implant (Nexplanon) are currently licensed for use in the U.S. LARC devices and implants, which have historically been financially and logistically difficult to attain, are not only safe but they are the most effective options for women to avoid unplanned pregnancies and prevent pregnancy intervals shorter than the recommended 18 months, thereby reducing the risk of low-weight and/or premature birth.

Georgia is a member of the National Institute for Children's Health Quality's Collaborative Improvement and Innovation Network to Reduce Infant Mortality (IM CoIIN), actively working to reduce infant mortality and improve birth outcomes statewide. The following case study highlights an emerging approach to improve LARC access in Georgia through new Medicaid policy and reimbursement guidance. This case study supplements the issue brief Strategies to Increase Access to Long-Acting Reversible Contraception (LARC) in Medicaid, which provides an overview of the history of LARC use, reviews LARC products and safety, addresses the various barriers to wider LARC adoption, and underscores the opportunities states have to improve LARC access.

> "In 2010, 60 percent of all pregnancies in Georgia were unintended."

Background

In 2010, 60 percent, of all pregnancies in Georgia (119,000) were unintended. In the same year, approximately 80.5 percent of unplanned births in Georgia were publicly funded, compared with 68 percent nationally. Georgia also ranks 47 out of 50 U.S. states in the Centers for Disease Control and Prevention's low birth weight measures.

The Department of Community Health (DCH) – the single state agency for Medicaid and healthcare purchasing – started the Improving Low Birth Weight Rate Initiative, which is designed to significantly reduce Georgia's low birth weight rate. One of the initiative's strategies is the Planning for Healthy Babies (P4HB) Program, which started in 2011 as a Section 1115 Demonstration Waiver. The P4HB Program provides no-cost family planning services, including the provision of LARC, to low-income women who are not eligible for traditional Medicaid benefits. Low-income Medicaid services as well as P4HB services are delivered through Georgia Families, the state's managed care partnership between DCH and private health plans referred to as "care management organizations" (CMOs). CMOs contract with DCH to provide healthcare services to Medicaid and P4HB beneficiaries.

Since the implementation of the P4HB Program, LARC usage among Medicaid enrolled women has increased from 33.4 percent in 2010 to 36.3 percent in 2013.

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DCH has continued to promote and pay for LARC use in all Georgia Medicaid fee-for-service and managed care, most recently by modifying Medicaid reimbursement for LARC inserted in the inpatient and outpatient setting, which is projected to save up to $2.3 million over two years per thousand Medicaid-eligible women.

Inpatient Hospital Reimbursement for Immediate Post-Partum LARC

LARC insertion within minutes of childbirth is both medically and logistically favorable, as women are known not to be pregnant and are often highly motivated to use contraception. However, a major barrier to women receiving their choice of effective contraception immediately after delivery is access and financial reimbursement. Most insurance pays a lump sum for labor and delivery, without reimbursement for provider, hospital and device costs associated with providing LARC during the hospital stay. This approach creates a financial disincentive to offer the full range of contraceptive methods at the time of delivery.

Georgia Medicaid has long covered family planning services for eligible members who wish to prevent pregnancy or plan for pregnancy, including contraceptive education, counseling methods, supplies and follow-up care. However, previously these services were only available through a comprehensive family planning visit to assess contraceptive needs and a brief medical follow-up to provide the chosen method. Since April 1, 2014, DCH's Medicaid program has reimbursed facility, physician and ultrasound costs for placement of LARC devices inserted immediately after childbirth in an inpatient hospital setting. LARC coverage is now an additional benefit separate from the hospital's applicable bundled reimbursement for labor and delivery costs, thereby enabling hospitals providing labor and delivery services to offer LARC placement to interested Medicaid patients immediately after childbirth.

Outpatient Reimbursement in Federally Qualified Health Centers and Rural Health Centers

In Georgia, a significant portion of low-income individuals receives primary and preventive care services from federally qualified health centers (FQHCs) and rural health centers (RHCs). Under federal law, Medicaid programs reimburse FQHCs and RHCs at Prospective Payment System (PPS) rates, which are the minimum reimbursement rates for clinic visits with Medicaid beneficiaries. The PPS rate does not account for LARC costs, thereby limiting the range of contraceptives offered to women. Through a State Plan Amendment effective May 15, 2015, Georgia Medicaid now 1) reimburses FQHCs and RHCs for the purchase of LARCs, and 2) provides separate fee-for-service reimbursement to hospital-based practitioners in these settings for the insertion of the LARCs. Under Georgia Medicaid's new policy, practitioners who provide LARC in freestanding outpatient FQHC and RHC settings can bill for the LARC device but are reimbursed for insertion and removal through the PPS all-inclusive rate. Provider-based RHCs that operate as part of a

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hospital can bill separately for the device, insertion and removal.

Device Stocking and Reimbursement

High up-front costs related to stocking, in both the inpatient and outpatient settings, often result in providers and facilities not having devices on hand to offer women. Without available inventory, women interested in LARC are required to make multiple visits to a provider, and the likelihood of the device being inserted decreases with each visit. Under Georgia's new LARC policies, inpatient facilities order devices and implants in advance, allowing them to stock the devices in the birthing suite to ensure timely insertion and avoid expulsion; under the state Medicaid policy, all devices must be inserted within 10 minutes of birth to qualify for Medicaid reimbursement. The inpatient facility then bills Medicaid for the device, to be paid in full outside the facility's bundled reimbursement for labor and delivery costs.

"High up-front costs related to stocking, in both the inpatient and outpatient settings, often result in providers and facilities not having devices on hand to offer women...Under Georgia's new LARC policies, inpatient facilites order devices and implants in advance..."

Outpatient facilities also order LARCs in advance, and can often obtain discounted prices from manufacturers through the 340B Drug Pricing Program, which applies to hospitals and other clinics that receive certain federal grants from the Department of Health and Human Services. The program is administered by the Health Resources and Services Administration, which calculates a 340B ceiling price for each covered outpatient drug. Covered entities purchase 340B drugs from the manufacturer at the discounted price, and then submit the reimbursement to the healthcare payer when the drug is dispensed to an eligible patient. In Georgia FQHCs and RHCs, to the extent that the LARCs were purchased using the 340B Program, the health center must bill DCH for the device's actual acquisition cost; LARCs not purchased using the program are reimbursed at the lower of the provider's charges or the rate on DCH's practitioner fee schedule. Device reimbursement is separate from any encounter payment the health center may receive for LARC.

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Outcomes and Next Steps

Georgia plans to maintain policies and systems that allow increased access to LARC, and to incorporate LARC reporting through quarterly and annual P4HB reports from managed care organizations, ad hoc LARC utilization reports, and postpartum visits. DCH is also working with CMS to implement a new performance metric that will monitor contraceptive utilization.

DCH and the Georgia Department of Public Health (DPH), two of the state's four health agencies, work together to promote public utilization of state healthcare programs and evaluate outcomes, such as birth weight rates, using state vital records databases. DCH collaborates on its LARC program with the Georgia Perinatal Quality Collaborative (GaPQC), a quality improvement and health promotion partnership made up of the Maternal and Child Section of DPH, providers, public health professionals and stakeholders. GaPQC has incorporated a Medicaid LARC-use initiative into existing efforts to implement quality improvement projects in participating hospitals, and aims to increase through marketing, health promotion and education the number of women whose deliveries are covered by Medicaid that are offered LARC placement immediately after delivery.

Georgia's outpatient reimbursement for LARC State Plan Amendment is estimated to use $3,073,566 in state and federal funds in 2016, with approximately 10 percent ($307,357) coming directly from the state. As a comparison, in 2010 Georgia spent $229.7 million of state-only funds to pay for unintended pregnancies, showing the opportunity for financial savings from averted births. While not offering any figures, the state has noted that savings from the LARC initiative are evident, and the program has succeeded in preventing repeat very low birth weight births for Medicaid enrollees.

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Author's Note:

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