



Costs of Maternity and Infant Care

More than 4 million babies are born in the United States each year, making birth the most common reason for a hospital stay, and contributing significantly to the nation's health care bill.

Cost of Maternity Care

The March of Dimes has partnered with Thomson Healthcare to estimate expenditures for maternity care by large employer health plans drawn from the MarketScan database for 2004.² The results show that expenditures for maternity care averaged \$8,802. Employers covered 94% of costs (\$8,236) and consumer out-of-pocket expenses averaged \$483. When analyzed by type of delivery, expenditures averaged \$7,737 for a vaginal delivery and \$10,958 for cesarean section. The higher cost of cesarean section includes \$2,090 in additional expenditures for the hospital stay and \$723 in additional payments for professional fees. Nationally, cesarean sections accounted for 29 percent of births in 2004.³

For a vaginal delivery hospital services account for 48% of reimbursed expenditures, followed by physician care and other professional services (36%), radiology and imaging (8%), outpatient drugs (5%), and laboratory services (4%) (Figure 1). These proportions are slightly different for cesarean section deliveries.

Among large employer plans, from which these data were drawn, out of pocket costs represent approximately 5% (cesarean delivery) to 6% (vaginal delivery) of payments, with health plans covering the remainder of expenses (Figure 2).

Figure 1: Distribution of Average Expenditures (Total Allowed Costs) for Maternity Care by Type of Service, 2004¹

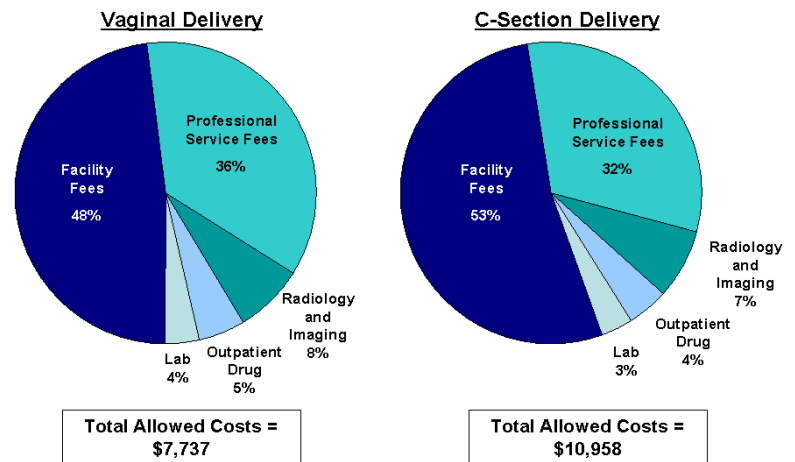
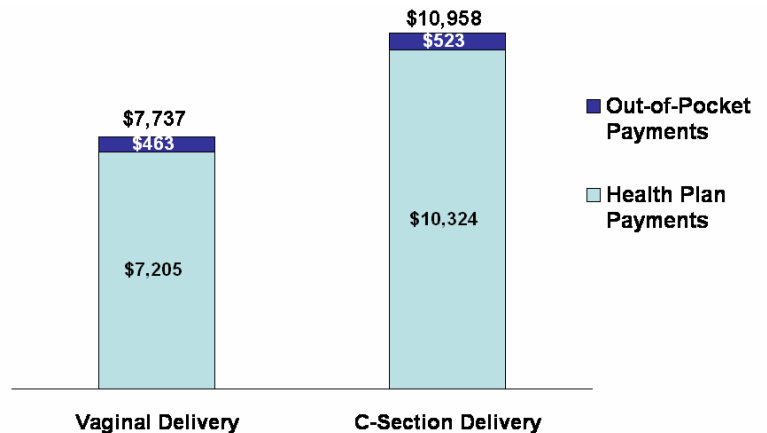


Figure 2: Average Expenditures (Total Allowed Costs) for Maternity Care by Source of Payment, 2004⁴



¹ Totals may not equal 100% due to rounding.

² Thomson Healthcare, The Healthcare Costs of Having A Baby, 2007. Report prepared for the March of Dimes.

³ National Center for Health Statistics, Final natality data, 2004.

⁴ Source components do not equal totals because of rounding for each component and because a small fraction of women had coordination of benefits.



Expenditures for cesarean and vaginal deliveries vary by geographic region, with the Northeast about 11% and 13% higher, respectively, than the national average (Figure 3). When comparing expenditures in the South to the national average, expenditures for cesarean and vaginal deliveries were both lower – 6% and 4% respectively.

Costs of Infant Health Care

One in 8 babies is born preterm³, and health care expenditures for many of these infants far exceeds those for full term infants. A separate study conducted by Thomson MedStat using MarketScan data from 2001 found that expenditures for health care services during the first year of life averaged \$41,610 compared with \$2,830 for a baby born healthy and full term in 2001 (Table 1).⁵

Figure 3: Average Expenditures (Total Allowed Costs) for Maternity Care by Geographic Region, 2004

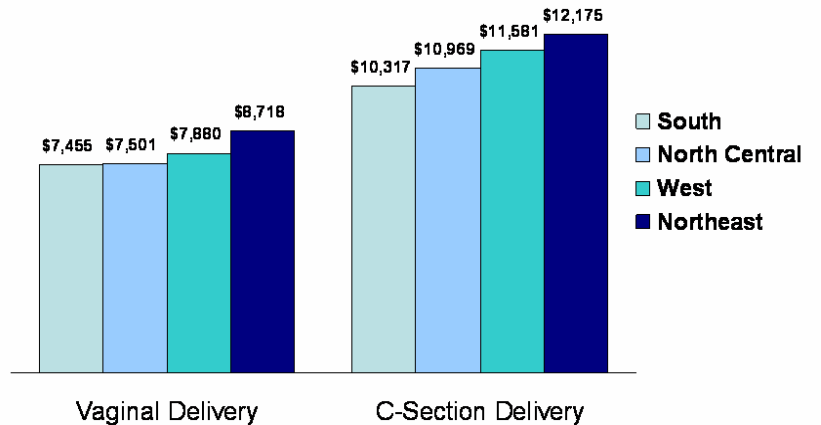


Table 1: Healthcare Costs Paid by Employers for Care in the First Year of Life, 2001

	Full-term Delivery No Complications	Delivery with Diagnosis of Prematurity
Inpatient (hospital)	\$1,210	\$35,034
Physician office visits	\$1,518	\$6,079
Drugs	\$102	\$497
Total	\$2,830	\$41,610

The study also found that premature babies average nine visits to the doctors’s office during the first year of life, compared to six visits for healthy, full-term babies. Mothers of premature babies spend more time on short-term disability (average of 29.1 days) over the six months following delivery than mothers of full-term babies (18.9 days).

The March of Dimes thanks Thomson Healthcare for conducting this analysis. The full report is available at www.marchofdimes.com/advocacy.

⁵ Employer research conducted and underwritten by Thomson Healthcare. 2004.