



The Healthcare Costs of Having A Baby

Stella Chang
Thomson Healthcare
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Background

- Approximately 4 million births occur in the US per year¹
- Pregnancy and childbirth-related conditions make up almost 25 percent of hospitalizations in the United States¹
- Little data have been collected or updated to estimate the costs of births in the US
 - Fewer data sources focus on specific populations, particularly the privately-insured
 - 54% of Americans are covered by employer-sponsored insurance
- **The purpose of this study is to estimate the costs of healthcare associated with having a baby among women with employer-sponsored insurance**

¹Agency for Healthcare Research and Quality, Hospitalizations Related to Childbirth, 2003, HCUP, Statistical Brief #11, www.ahrq.gov

²Kaiser Family Foundation, State Health Facts 2005, www.statehealthfacts.kff.org

Methods

- Data source: MarketScan® Commercial Claims and Encounters
 - National database of over 10 million employees, spouses and dependents
 - Health coverage provided by large, self-insured employers
 - Includes all paid inpatient, outpatient, and prescription drug claims
- Study included all births in 2004
 - Births were identified by hospital claims with a birth-related DRG or procedure code
 - Only live births were included
 - Study focused on fee-for-service insurance coverage (no managed care)

Analysis

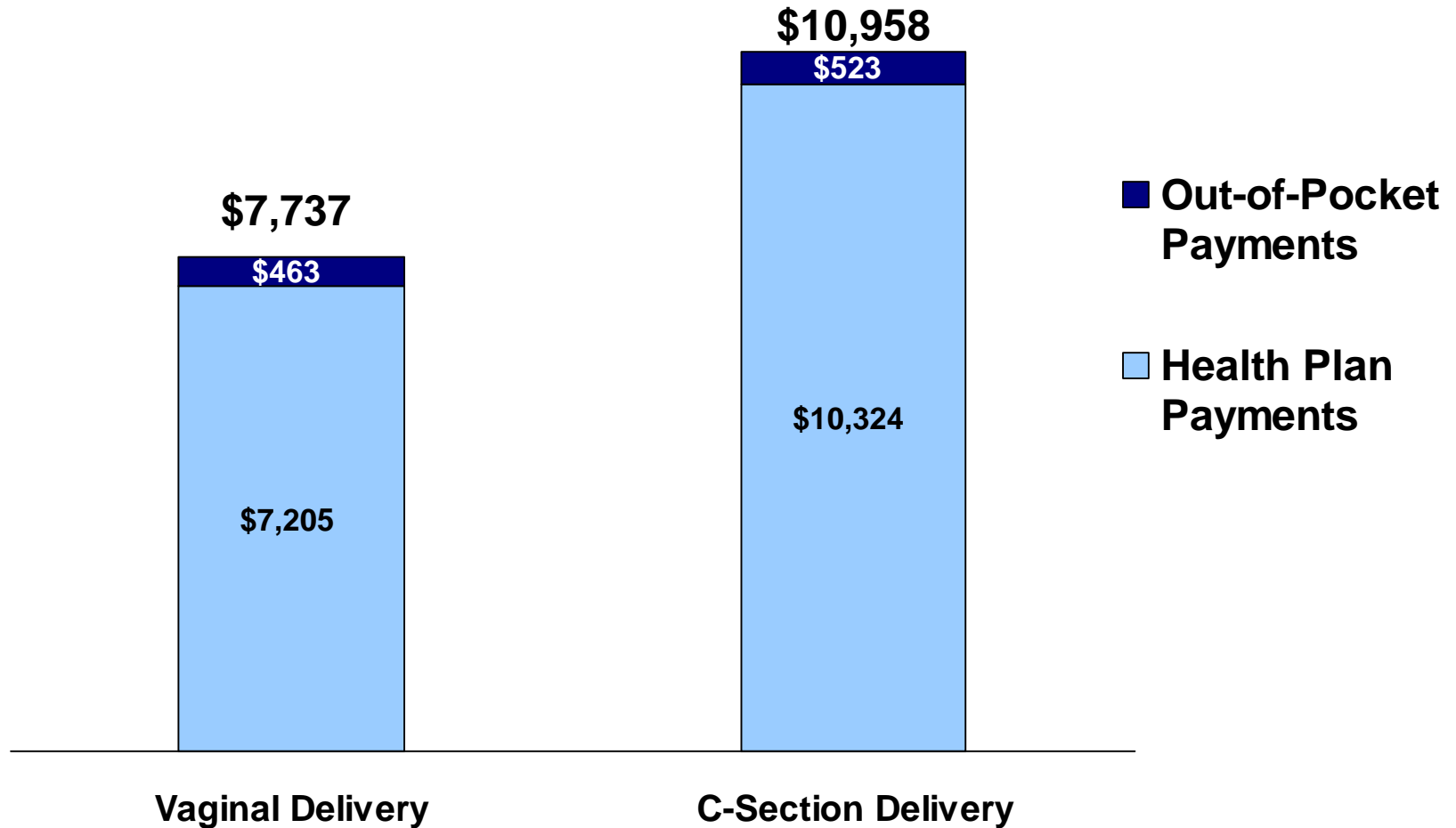
- Costs during delivery, prenatal, and postpartum periods were summarized
 - Prenatal = 9 months prior to delivery
 - Postpartum = 3 months following delivery
 - Total period for capturing costs = 12 months
- Only maternity-related services were included in summary costs
 - Medical, laboratory and radiology claims were required to have a procedure or diagnosis code related to delivery or maternity care
 - All drug costs were included in the analysis
- Costs were reported as total provider charges, total payments, health plan payments, and patient out-of-pocket
- Costs were split out by vaginal and Cesarean-section deliveries

Overall Costs

- 43,450 live birth deliveries were analyzed in 2004
 - Approximately 1/3 were Cesarean-section deliveries
- Average cost of having a baby in 2004 was \$8,802
 - Health plans covered \$8,236
 - Out-of-pocket expenses averaged \$483

Average Expenditures (Total Allowed Costs)* for Maternity Care by Source of Payment, 2004

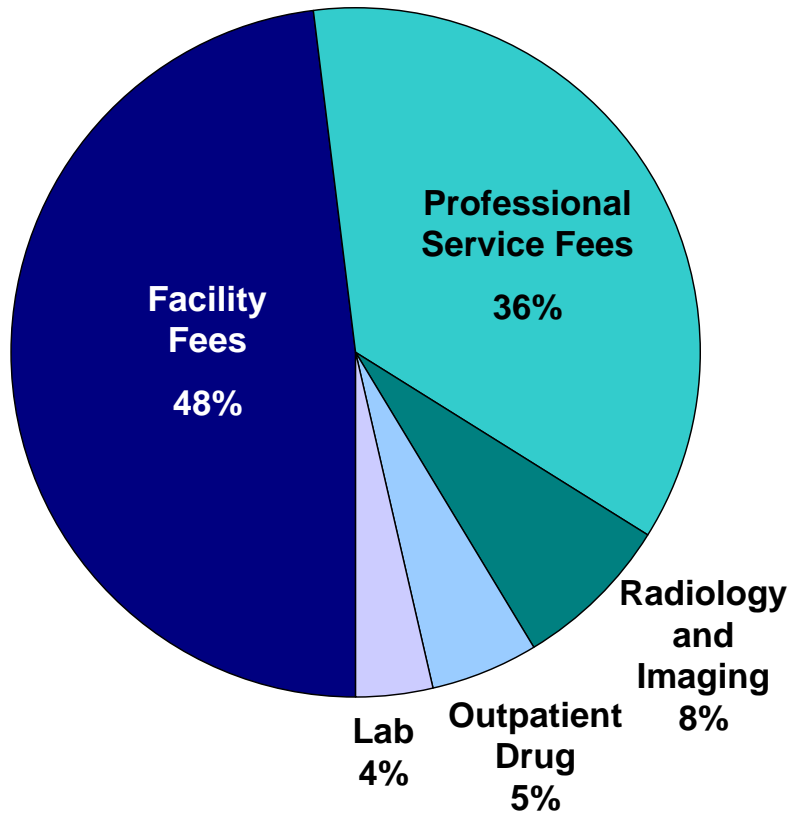
Total Allowed Costs:



*Third party payments (COB) are not represented

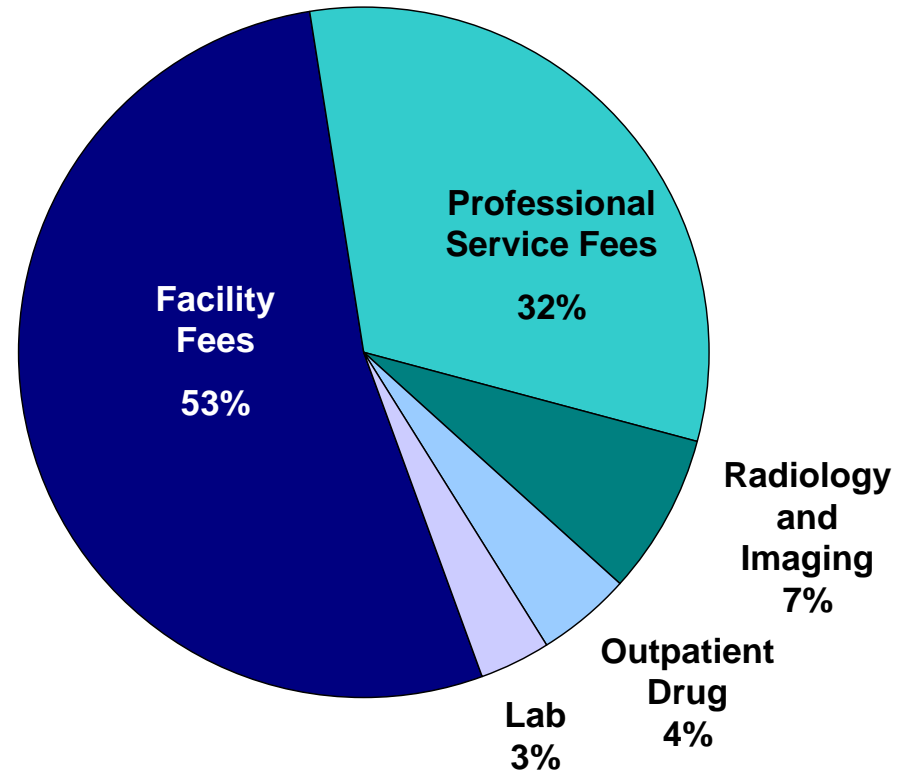
Distribution of Average Expenditures (Total Allowed Costs) for Maternity Care by Type of Service, 2004

Vaginal Delivery



**Total Allowed Costs =
\$7,737**

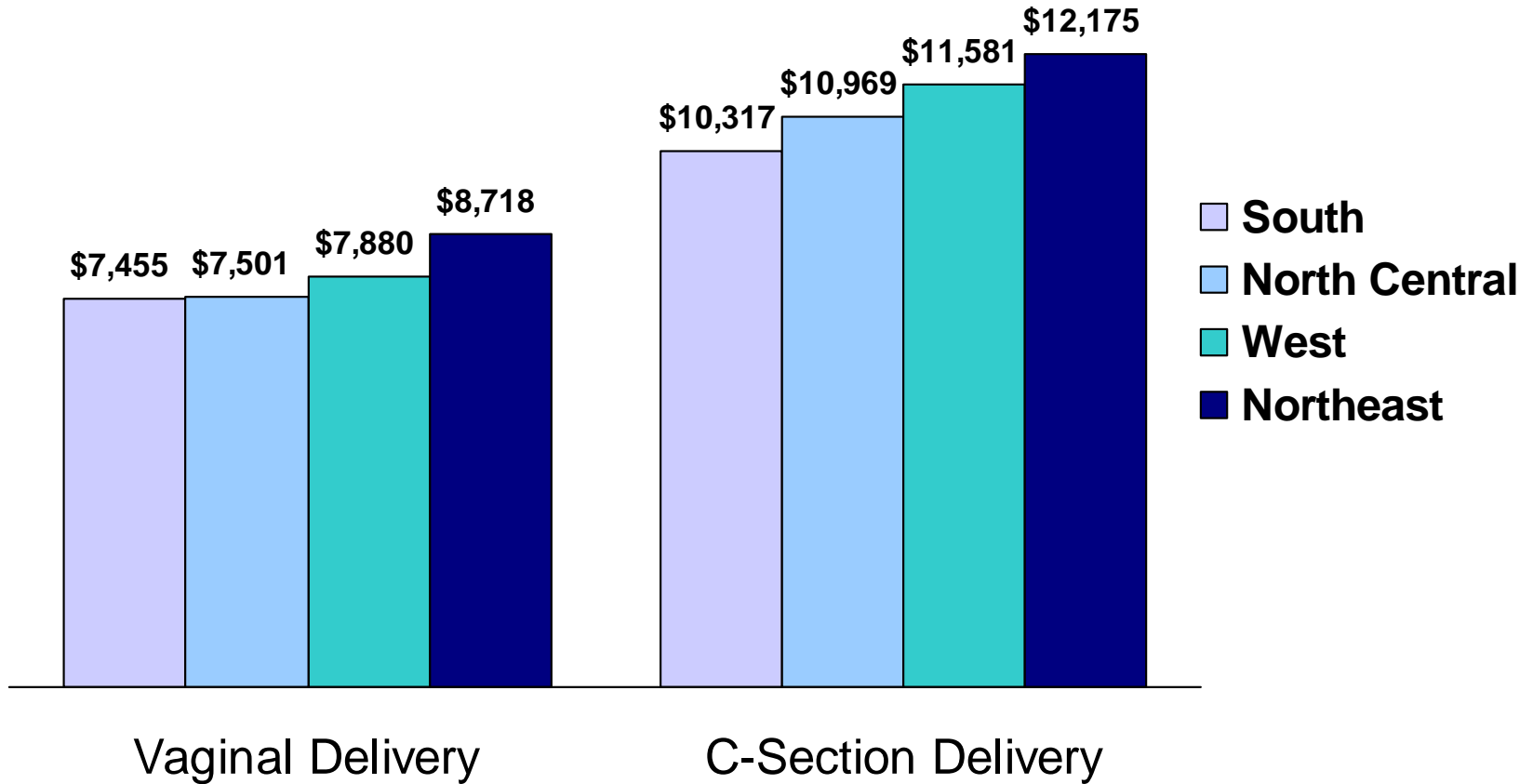
C-Section Delivery



**Total Allowed Costs =
\$10,958**

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

Total Allowed Costs:



Conclusions

- The healthcare services related to having a baby represent a substantial cost for health plans, employers and families
- Maternity costs also extend beyond the hospitalization
 - Professional, ancillary, and outpatient drugs costs accounted for nearly half of total costs
- Among women with employer-sponsored insurance, health plans covered the majority of costs
- As medical technology evolves and healthcare coverage changes, additional analysis will be required to understand their effect on maternity costs