Maternity Coverage is Important for Healthy Moms and Babies

Insurance coverage helps expecting moms access maternity care services that are proven to reduce preterm birth, delivery complications and infant mortality.¹

Coverage helps moms manage serious medical conditions such as diabetes, hypertension, and substance use disorder. These conditions affect at least 10% of pregnancies (with higher rates in rural and low-income communities) and put women at increased risk of pregnancy complications.²

Half of pregnancies in the U.S. are unplanned. Nearly 4 million babies are born every year in the U.S.

The Evolving Policy Landscape Affecting Maternity Coverage

Many women—even those with health insurance—lacked maternity coverage prior to 2014.

- Overall, 6 in 10 pregnant women had coverage gaps during 2005 to 2013.³
- Only 12% of individual health insurance plans included maternity coverage.⁴
- Women without maternity coverage faced significant costs for care (typical price charged for pregnancy and newborn care: $32,000 for an uncomplicated vaginal birth; $51,000 for an uncomplicated cesarean birth).⁵

In 2014, the Affordable Care Act (ACA) increased access to maternity services by:

- Requiring individual plans to cover maternity services as an "essential health benefit".
- Limiting access to short-term plans by restricting their duration and renewability.

Federal regulations that went into effect in October 2018 re-expanded access to short-term plans by:

- Extending their duration to 12 months (up from 3 months).
- Allowing insurers to renew coverage for up to 36 months.
Expanded Access to Short-Term Plans May Mean More Women Without Maternity Coverage

Since pregnancy is not a planned healthcare event for many women, they may not consider the importance of maternity coverage when shopping for insurance.

Pregnancy itself is not considered a qualifying life event and does not make a woman eligible for a Special Enrollment Period. If a woman covered by a short-term plan becomes pregnant outside of the open enrollment period, she may face significant out-of-pocket spending for maternity care.

Why might short-term plans be attractive to women?
- Lower premiums than marketplace plans (due to limited benefits and preexisting condition exclusions).
- No enrollment periods (coverage can start immediately).
- Act as a bridge during insurance gaps, providing some coverage in case of major medical events.

How might short-term plans harm women?
- Limited benefits (no coverage for maternity care; limited or no coverage for preventive care, prescriptions, behavioral healthcare).
- High out-of-pocket spending for routine healthcare
- Won’t help with really costly services (most plans cap annual coverage at $2 million or less).
- Can deny coverage or charge more based on individual characteristics (such as gender, age, and pre-existing conditions—including pregnancy).
- Plan renewability isn’t guaranteed (often can’t keep the plan if you get sick).
- Healthy people may leave state-run marketplaces, resulting in higher premiums for those remaining.

Short-Term Plans May Be Attractive to Some, But May Have Health and Financial Consequences for Mother and Child
State Regulatory Options to Support the Health of Moms and Babies

States have regulatory authority over short-term plans and have various policy options to address women’s access to maternity coverage and care that improves maternal-child health. The chart below outlines some of the approaches that states have taken.

### Policy options

| Prohibit health insurers from issuing, selling or renewing short-term plans within the state. | California: Legislation bars the sale of short-term plans, effective January 1, 2019.³ |
| Limit the length of time that short-term plans are allowed to cover individuals, including restricting renewals and total plan duration. | Indiana: Limits duration of short-term plans to 6 months and prohibits renewals.¹⁰ |
| Impose consumer protections similar to ACA plans (e.g., require maternity coverage; prohibit discrimination on the basis of pre-existing conditions, including pregnancy). | Rhode Island: State rules require that all health plans cover essential health benefits, do not exclude pre-existing conditions and meet medical loss ratio standards. No short-term plans are currently offered.¹¹ |

### Policies that encourage access to maternity coverage are likely to improve:

- The chances of a healthy pregnancy
- Access to essential prenatal care services
- Management of chronic conditions before and during pregnancy
- Financial security (through reduced out-of-pocket spending)
RESOURCES


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