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Low-Birthweight Births Cost Maryland Millions

Nine Percent of Births Account for Over Half of Spending

Executive Summary

Nine percent of Maryland births are below normal birthweight, but these babies account for over half of the spending on births, according to a new analysis by Advocates for Children and Youth. The study is the first examination of Maryland's poor birth outcomes in the context of their fiscal cost to the State. Very low-birthweight babies remain in the hospital for 15 times longer than normal weight babies. They also cost 36 times more. The State of Maryland covers many of these costs. Preventing low-birthweight births costs far less than paying for bad outcomes, especially when prevention efforts are targeted at women with previous poor birth outcomes. The State should invest in preconception and interconception care for at-risk women to improve the health of Maryland's babies and save money.

Background

Maryland is the wealthiest state in the nation, but the health of its infants is poor. Maryland ranks 39th out of the 50 states for low-birthweight births and 31st for infant mortality.¹ A 2008 March of Dimes report card gave Maryland an "F" grade for its poor birth outcomes.²

About 7,000 Maryland babies are born too small each year.³ In 2007, 9.1% of births were low-birthweight.

Low-birthweight babies are at higher risk for death within the first year of life. African-American babies are particularly vulnerable. The African-American infant mortality rate is three times greater than the white infant mortality rate.

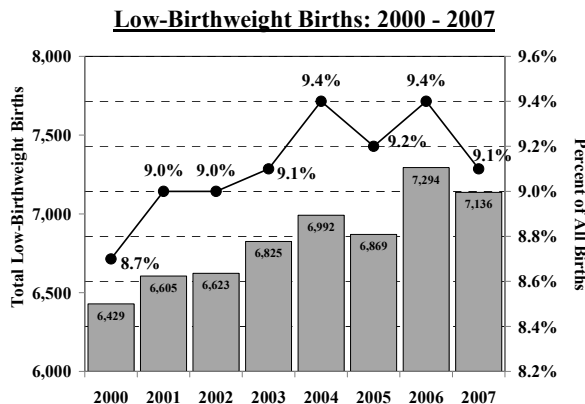
Advances in newborn medical care have reduced the number of deaths associated with low birthweight in recent decades, but many small surviving babies still suffer from health problems at birth and lasting disabilities, like mental retardation, learning problems, cerebral palsy, and vision and hearing loss.⁴ Very low-birthweight (VLBW) babies under 1,500 grams (3.3 pounds) are at the highest risk, but low-birthweight (LBW) babies under 2,500 grams (5.5 pounds) also frequently require longer hospital stays, more intensive care and more resources.

Analysis

Using data from the Health Services Cost Review Commission, Advocates for Children and Youth calculated the cost of providing care for babies, by birthweight, for 2007.

Length of Stay

Very low-birthweight births require hospital stays averaging almost 40 days, compared to stays of under 3 days for normal weight births.⁵

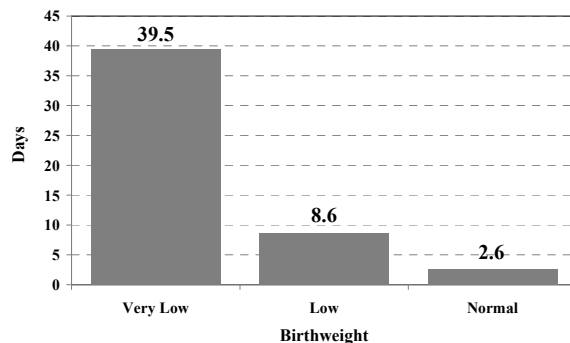


¹ Annie E. Casey Foundation, *2008 Kids Count Data Book*.

² March of Dimes, *Premature Birth Report Card*.

³ Department of Health and Mental Hygiene, *Maryland Vital Statistics 2007 Final Report*.

Average Length of Stay for Births: 2007



⁴ March of Dimes, *Low Birthweight Fact Sheet*.

⁵ Health Services Cost Review Commission, 2007 calendar year data. Includes only births to Maryland women in Maryland hospitals (N=69,375). This subset represents approximately 90 percent of births to Maryland women.

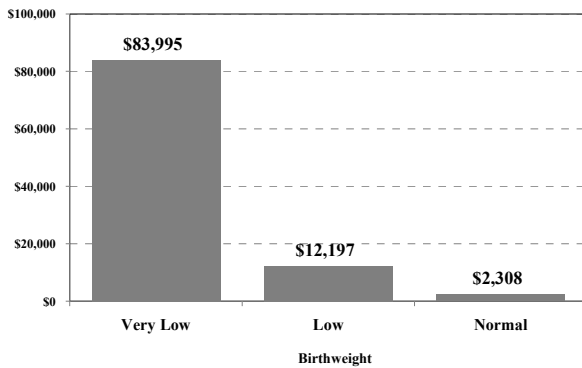


Financial Costs of Low-Birthweight Births

Roughly 29,000 out of the 70,000 annual births to Maryland women in Maryland hospitals are financed by Medicaid. Medicaid Managed Care Organizations (MCO) and the State pay many of the high costs of low-birthweight births.

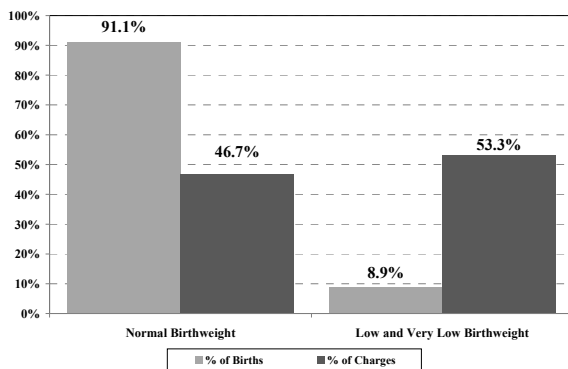
VLBW births cost 36 times more than normal weight births.

Average Charge for Births: 2007



Low- and very low-birthweight babies account for nine percent of births, but over half of Maryland hospital charges for births.

Percent of Births vs. Charges: 2007

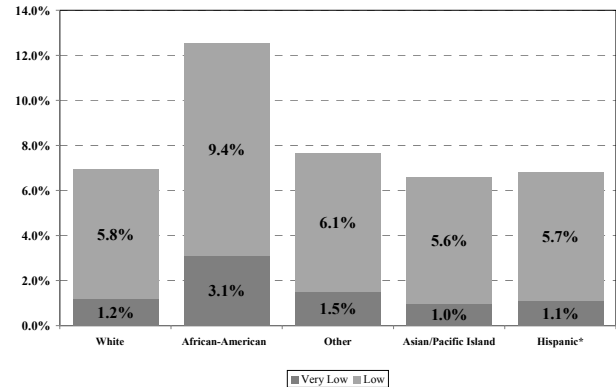


In 2007, charges for VLBW and LBW babies were \$166.6 million, compared to \$146.0 million for the other 91 percent of babies.

Racial Disparities

There are large racial disparities in birthweight. Seven percent of white babies are born too small, compared with 12.5 percent of African-American babies.

Low Birthweight Births by Race and Ethnicity: 2007



Recommendations

Research shows that women with one poor birth outcome are more likely to have another bad outcome in a subsequent pregnancy. But most low-income women lose Medicaid coverage soon after giving birth and have no health coverage during the interconception period. Without interconception care, future births are likely to have poor outcomes and be very expensive to the State. In addition, women without interconception care often become pregnant again within 18 months, increasing the risk of another poor birth outcome.

Maryland has already taken one important step by expanding health care coverage to parents with incomes under 116 percent of the Federal Poverty Level. Extremely low-income mothers will now have health care coverage between pregnancies. We must now make sure they receive the care necessary to improve birth outcomes.

Maryland can reduce low-birthweight births by providing health care coverage for high-risk, low-income women. Women with a prior poor birth outcome and incomes between 116 and 250 percent of the Federal Poverty Level need consistent access to interconception care. The cost of providing continuing health care for at-risk women is offset by the reduced cost of medical services for low-birthweight babies.⁶

⁶ See Advocates for Children and Youth, *Pay For Itself: Proposed Reforms of Children's Services Will Save Money in FY 2010* (Dec. 2008).