

# Medicaid payment reform linked to fewer early elective deliveries

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It's well documented that infants born at full term have better health outcomes. However, one in ten babies in the United States are born via a medically unnecessary early elective delivery, such as an induction of labor, cesarean section, or both. New findings published in *Health Affairs* indicate that state-level Medicaid payment reform is linked to fewer unnecessary early deliveries and, in turn, better health outcomes for infants.

Researchers examined whether the impact of 2011 changes to the Texas Medicaid program reduced rates of early elective deliveries by denying payment to providers for the procedure. The research team compared clinical care practice and perinatal outcomes in Texas to states that did not enact payment reform. The researchers found that:

- Early elective delivery rates fell by as much as 14 percent in Texas after this payment policy change.
- Infants affected by the policy gained nearly five days in [gestational age](#) and six ounces in birthweight.
- The impact on early elective delivery was larger in magnitude for minority patients.
- This form of Medicaid payment reform could serve as a model for reducing early elective deliveries and disparities in infant health.

The United States ranks 27th globally in [infant mortality](#), among the worst of industrialized nations. African American infant mortality and

health rates are on par with rates in developing countries. A major contributing factor to poor infant health in the U.S. is high preterm birth.

"Reducing early elective deliveries shows promise for yielding important gains in [neonatal outcomes](#)," says Heather Dahlen, research fellow at Medica Research Institute and lead author of the study. "Our examination finds that state-level Medicaid payment reform appears to have contributed to a decline in early elective delivery and an increase in gestational age and birthweight, especially among minority mothers and babies."

Throughout the U.S., hospitals, health care providers and public health agencies are engaged in collaborative efforts to improve neonatal outcomes. But these efforts are largely voluntary and vary greatly from state to state. This study demonstrated that Medicaid payment reform—regardless of the voluntary efforts among health care stakeholders—is associated with improved health outcomes.

Since the time that this study launched, five other U.S. states have instituted similar health payment reform policies, and many other states continue with different efforts to reduce early elective deliveries.

Says Dahlen: "Even states that have voluntary efforts in place to reduce [early elective delivery](#) rates would likely see additional declines in those rates with Medicaid [payment reform](#)."

**More information:** Heather M. Dahlen et al, Texas Medicaid Payment Reform: Fewer Early Elective Deliveries And Increased Gestational Age And Birthweight, *Health Affairs* (2017). [DOI: 10.1377/hlthaff.2016.0910](#)

Provided by Medica Research Institute

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