

US maternal health spending varies by state, driven by cost of childbirth

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The average cost of childbirth varies widely from state to state, according to new national analysis from the Health Care Cost Institute, which also found that spending on postpartum care extended across the full year after delivery. The research drew on HCCI's database of medical claims from approximately 40 million U.S. individuals with employer-sponsored insurance.

"The care that parents receive before, during and after childbirth represents a substantial proportion of national health care spending and utilization," said Niall Brennan, president and CEO of HCCI. "Better information about how and when new parents use care can help drive improvements in quality and value."

The average cost of childbirth in the US was nearly \$14,000 nationally and varied widely across the country—from \$8,361 in Arkansas to \$19,771 in New York—according to HCCI's analysis of claims data from more than 350,000 deliveries. About 1 in 3 of those deliveries happened by Caesarean section, which is the most common operating room procedure during an inpatient hospital stay for privately-insured Americans. The cost of childbirth and the rate of C-section varied widely across states, but in almost every state, the average price level accounted for the majority of the difference in spending per childbirth relative to the national average.

"Childbirth is the most frequent reason for an inpatient admission in the United States," said HCCI Senior Fellow Katie Martin. "We found that the price per delivery drove wide variations in the cost of childbirth from state to state."

To understand drivers of postpartum spending, HCCI analyzed claims from 160,000 new parents in the year after birth. For these parents, spending spanned the full year following childbirth. Nearly 20% of overall postpartum spending happened in the first 60 days (which is the period of Medicaid

eligibility for new mothers in many states), and nearly 30% in the first 90 days. But approximately 70% of postpartum spending occurred over the rest of the year. Birthing parents between the ages of 25 and 34, the largest group in the sample, tended to have the lowest per-person spending average of the age groups examined. Per-person spending rose 16% higher for age group 35-44; 26% higher for age group 18-24; and 59% higher for age group 45-54.

Overall postpartum spending was driven by infrequent emergent services. Surgery represented 26% of overall postpartum spending, followed by emergency room and ambulance services, which represented 17% of overall postpartum spending.

HCCI also analyzed data on <u>prenatal care</u> in the United States, finding that utilization increased with age and the presence of risk factors.

Provided by Health Care Cost Institute

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