

Ensuring Coverage for Reproductive Health Services during the Zika Virus Outbreak

The Critical Role of Medicaid

Introduction

In January 2016, the Centers for Disease Control and Prevention (CDC) launched an emergency response effort to stop Zika virus outbreaks from spreading across the Americas.¹ Zika has been linked to serious health risks, particularly for pregnant women and infants. The virus can be transmitted via a bite from an *Aedes aegypti* or *Aedes albopictus* mosquito, from unprotected sex with a partner who has Zika, or it can be passed from an infected mother to a fetus during pregnancy. The infection may cause microcephaly — a rare condition in which an infant is born with an abnormally small head — as well as other birth defects and neurological disorders.² Highly effective contraceptives can help prevent Zika-affected pregnancies by allowing women to plan pregnancies when the risk of exposure is perceived to be low.



As public health leaders, the Association of Maternal & Child Health Programs (AMCHP) and the Association of State and Territorial Health Officials (ASTHO) are responding to the Zika virus by supporting state health departments as they face the crisis head on.

To bolster state efforts to combat the Zika virus, AMCHP and ASTHO are proud to release *Ensuring Coverage for Reproductive Health Services during the Zika Virus Outbreak: The Critical Role of Medicaid*. This policy brief outlines the many ways in which Medicaid is addressing the Zika crisis, through targeted state grants, expanded benefits, and most

importantly, by financing family planning services for individuals of reproductive age. It also examines the potential changes to Medicaid that have been proposed as part of a broader effort to repeal and replace the Patient Protection and Affordable Care Act (ACA), and the potential implications of these proposals during the Zika virus outbreak.

This policy brief is released in conjunction with *Stemming the Zika Virus: The Importance of Access to Care for Women and Men of Reproductive Age*. This latter brief outlines the critical role of state public health leaders and maternal and child health professionals in combatting the Zika virus; it also features specific examples of prevention and treatment efforts underway in high-risk Zika states. Used together, these briefs highlight the dual role that federal funding and state action play in addressing a public health emergency.

The Role of Medicaid in Responding to the Zika Virus

As the single largest source of health coverage in the United States, Medicaid plays a significant and multi-faceted role in the national and state-level response to the Zika crisis. States have used Medicaid dollars for targeted Zika prevention strategies, including provider education, screening and early detection for individuals who are symptomatic or have traveled to Zika-prone areas, and funding for mosquito repellent to control local Zika exposure. With Medicaid coverage, women and men have access to health care professionals who can provide reproductive life planning and preconception counseling to help prevent the spread of the virus. Moreover, Medicaid provides low-income women with access to contraception, an essential tool in the prevention of the spread of the Zika virus and Zika-affected pregnancies.

Medicaid Eligibility Pathways for Accessing Reproductive Health Services

Studies suggest that expanding access to contraception can be cost-effective in the event of a public health emergency.³ To ameliorate the risks of contracting Zika, the U.S. Centers for Disease Control and Prevention (CDC) has advised women of reproductive age and their partners who have traveled to Zika-affected areas to take the necessary measures to delay pregnancy.⁴ For many women, a critical first step is to obtain health insurance to offset the cost of contraception and other reproductive health services. The ACA requires most insurance plans to cover all Food and Drug Administration (FDA)-approved methods of birth control for women, with no premiums or cost-sharing.⁵ Since the ACA's birth control benefit went into effect in 2012, more than 55 million women now have coverage for contraception and other preventive services with little or no out-of-pocket costs.⁶ Despite these historic gains, roughly 8.2 million women of reproductive age remained uninsured in 2015.⁷

Low-income women may access reproductive health services through traditional Medicaid, Medicaid family planning programs, or the ACA Medicaid expansion. Eligibility for these programs is generally based on income and family size, as well as other non-financial criteria (e.g., citizenship and residency status).



Traditional Medicaid

Traditional Medicaid is a health insurance program for low-income individuals, and it typically serves pregnant women, children, the elderly and people with disabilities. By statute, beneficiaries of traditional Medicaid are eligible for family planning benefits, and state Medicaid agencies receive an enhanced federal match for these services.⁸ Eligibility for traditional Medicaid is established on a state-by-state basis. Income thresholds vary widely throughout the country, ranging from 13 percent to 216 percent of the federal poverty level (FPL).⁹

The Role of EPSDT in Addressing Zika

The EPSDT (Early and Periodic Screening, Diagnostic and Treatment) benefit is available for Medicaid beneficiaries under the age of 21. EPSDT is a mandatory benefit that requires health care providers to screen, diagnose and treat any identified health condition in a timely manner. In the case of Zika, the EPSDT benefit facilitates timely detection and treatment for microcephaly or other Zika-related birth defects in an infant, to help reduce the overall costs and consequences of Zika infection.

Medicaid Family Planning Programs

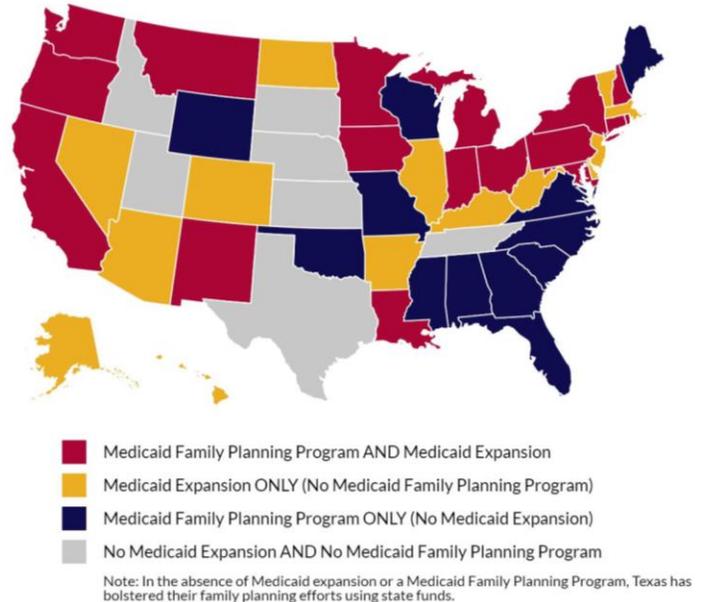
Medicaid family planning programs are created through Section 1115 waivers.* These waiver programs are designed to extend coverage of family planning services for a limited time to women and men who are otherwise not eligible for Medicaid. Numerous studies have demonstrated that Medicaid family planning programs improve women's health and save money because they have shown to be effective in preventing unintended pregnancies.¹⁰ In 2011, an estimated 3.5 million women ages 15–49 received Medicaid family planning-only coverage through the use of state waivers.¹¹ In addition, to reduce administrative burden on states, the ACA gives states the option to establish a permanent family planning program through a state plan amendment (SPA).¹² Of the 27 states operating Medicaid family planning programs, 15 currently do so through a SPA.¹² For states that have not adopted the Medicaid expansion, Medicaid family planning programs play an increasingly important role in helping low-income women make informed decisions about pregnancy and childbirth in the context of Zika.¹³

Medicaid Expansion

Under the ACA, states are given the option to expand their existing Medicaid programs to cover non-elderly adults (ages 18–64) who earn up to 138 percent of the FPL. Beginning in 2014, the expansion created a new coverage pathway for millions of uninsured Americans who were previously excluded from Medicaid.¹⁴ For each individual enrolled in the expansion group, states receive an enhanced federal match to support services for their Medicaid population at large.¹⁵ States may use their additional federal dollars for both population health and public health initiatives. These funds are particularly useful in responding to surges in enrollment due to increased eligibility rates, to state-wide periods of financial decline, or to public health emergencies such as Zika, which result in an increased need for services.

* Section 1115 of the Social Security Act gives the Secretary of Health and Human Services the authority to waive certain Medicaid requirements, and to allow states to use federal Medicaid funds to implement “experimental, pilot or demonstration projects,” in ways that are not otherwise allowed under federal rules.

Figure 1: Current Status of Medicaid Expansion and Medicaid Family Planning Programs by State



To date, 31 states and the District of Columbia have adopted the Medicaid expansion (see Figure 1).¹⁶ In these expansion states, more than 14 million individuals have gained coverage as of March 2016.¹⁷ Additionally, the percentage of uninsured women of reproductive age in the expansion states fell from 17.2 percent in 2013 to 9.5 percent in 2015 — resulting in an overall reduction of 45 percent (see Figure 2).¹⁸

In the 19 states that have not adopted the expansion provision, an estimated 2.6 million individuals remain in the “coverage gap.”[†] It is estimated that as many as 90 percent of these individuals reside in southern states — the area of the country most vulnerable to the spread of Zika due, in part, to warmer climate and the presence of *Aedes aegypti* and *Aedes albopictus* mosquitoes.¹⁹ The additional Medicaid funding available through the expansion would enable these states to create a stronger defense against the spread of the Zika virus, by providing additional funds to increase their surveillance, prevention, detection and treatment capacity.

† The “coverage gap” occurs in states that did not expand Medicaid. Individuals who fall into the coverage gap have incomes above their state Medicaid eligibility levels but below the amount required for Health Insurance Marketplace premium tax credits. These individuals would have been eligible for Medicaid had their states chosen to adopt the expansion.

The Role of EHBs in Controlling Zika

The ACA requires that all Medicaid expansion plans cover EHBs (essential health benefits). Several of these benefits are necessary for early detection, screening, counseling, diagnosis and treatment of the Zika virus. These benefits include preventive services; pregnancy, maternity and newborn care; chronic disease management; pediatric services and laboratory services, among others.

CMS Guidance for State Medicaid Programs on Zika Control

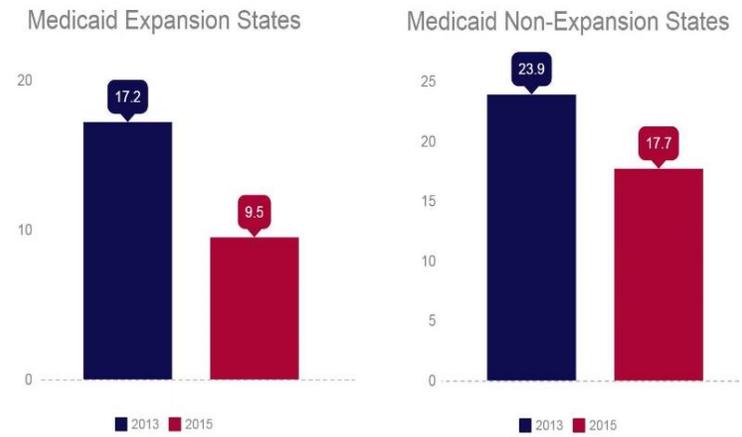
Federal Medicaid officials have released several documents to guide state Medicaid programs in their Zika response efforts. A June 2016 Centers for Medicare and Medicaid Services (CMS) informational bulletin highlights the specific Medicaid benefits that are available for preventing, detecting and responding to Zika. The bulletin reinforces the importance of guaranteed access to the full-range of contraceptive methods as a critical tool for prevention.²⁰ Additionally, the bulletin states that although prescriptions for insect repellents are not traditionally covered by Medicaid, state Medicaid programs may choose to cover mosquito repellents when they are prescribed by an authorized health professional to protect against the Zika virus.²¹



CMS clarified this option in a Medicaid Drug Rebate Program Notice released in October 2016.²² The notice states that insect repellents that may be used to prevent Zika virus are considered

reimbursable by Medicaid if they are specifically prescribed to a Medicaid beneficiary to prevent disease.²³

Figure 2: Percent Change of Uninsured Women of Reproductive Age, 2013-2015



Medicaid Emergency Grants for Zika Control

In addition to releasing federal guidance on how existing Medicaid dollars can be used to support Zika virus response efforts, CMS also designated an additional \$66.1 million to support efforts at the territorial and state level. This funding opportunity was announced in January 2017, and was awarded to territorial and state health departments in American Samoa, Puerto Rico, the U.S. Virgin Islands, and Florida. The funds are authorized to support prevention activities and treatment services for health conditions related to the Zika virus, as well as measures to improve provider capacity and capability. As the only state with laboratory-confirmed active or local transmission of the Zika virus since the first round of funding was released, Texas is slated to receive additional CMS funding in 2017 of up to \$6.45 million. For more information visit www.cms.gov.

How Altering Medicaid Could Affect the Zika Virus Response

Traditional Medicaid, Medicaid family planning programs, and the Medicaid expansion provide critical health services to their beneficiaries; however, coverage remains out of reach for many. Moreover, recent federal proposals to dramatically overhaul the existing Medicaid program, by eliminating the Medicaid expansion, converting

Medicaid to a block grant, or instituting a per-capita-cap financing system, threaten millions of Americans with loss of coverage. The public health community has expressed concern that transforming Medicaid to a block grant or per-capita-cap system would limit states' flexibility to respond to surges in enrollment or to public health emergencies such as Zika. Similarly, these financing approaches would gradually shift Medicaid costs to the states, and likely result in increased premiums and cost-sharing for enrollees, as well as a decrease in their benefits.

In addition to these proposals to overhaul the traditional Medicaid program, there is considerable interest among members of Congress in eliminating the Medicaid expansion. If the Medicaid expansion program is scaled back or eliminated, millions of individuals may lose their insurance coverage and their access to important Zika prevention and treatment services. Moreover, repealing the Medicaid expansion poses a great financial risk to state budgets. As noted previously, states that adopt the Medicaid expansion are eligible to receive an enhanced federal match for all newly eligible individuals enrolled in the program. If the expansion is repealed, state spending would increase by \$68.5 billion between 2017 and 2026, because reductions in Medicaid spending would be offset by increased payment for uncompensated care.²⁴ Furthermore, as Zika infection rates continue to rise, state Medicaid budgets will be strained to provide recommended services and treatment to those affected by the virus.²⁵

Implications for Women of Reproductive Age

If the Medicaid expansion provision of the ACA is repealed, 40 percent of those losing coverage would be young adults ages 18–34.²⁶ Women of reproductive age and their partners would be more likely to experience reduced access to coverage and care, and would be responsible for a higher level of cost-sharing for birth control and other essential services, thereby posing risks for increased Zika transmission.

Reduced Access

Repealing the Medicaid expansion would put many women at risk of losing coverage, thereby impeding their ability to access contraception. Although many of these women may be eligible for family planning-only coverage in their respective states, the required package of family planning services that must be offered to Medicaid expansion beneficiaries is not guaranteed under traditional Medicaid or family planning-only coverage.²⁷ For example, unlike the ACA's Medicaid expansion, which requires coverage of all FDA-approved methods of contraception, the Medicaid family planning program allows states to determine their own requirements for contraceptive coverage.²⁸ Similarly, states vary in terms of the coverage they provide for "family planning related services," such as screening for sexually transmitted infections or treatment for complications resulting from use of a certain method of birth control.²⁹ Although these services must be covered under the ACA's Medicaid expansion, they remain optional under Medicaid family planning programs.



While family planning services are likely to be exempt from a Medicaid block grant or per-capita-cap allotment, shifting costs to the states could make these benefits vulnerable to cuts. A full repeal of the expansion would be especially detrimental for women seeking more effective or longer-lasting contraceptive methods to prevent pregnancy during a Zika virus outbreak, because these methods have been historically cost-prohibitive for many women.³⁰ In addition, reduced federal support for safety-net clinics will leave contraception out of reach for many low-income women.³¹

Increased Cost-Sharing

Research shows that increased cost-sharing has an adverse effect on lower-income populations, particularly those who are eligible for Medicaid.³² Repealing the Medicaid expansion is likely to increase cost-sharing for Medicaid beneficiaries because state budgets would be strained to “do more with less.” The body of research on the effects of imposing cost-sharing generally shows that raising cost-sharing on a targeted service typically reduces utilization of that service.³³ Decreased utilization of well-woman care and contraception may lead to more frequent spread of the Zika virus, both through unprotected sexual contact and Zika-affected pregnancy.



Conclusion

As the nation’s largest public health insurance program covering more than 70 million Americans, Medicaid is one of the most comprehensive and effective ways to address the Zika virus in the United States.³⁴ As the next wave of Zika outbreaks looms, states will need all the Medicaid funding and flexibility available to respond appropriately. Altering the current Medicaid program through block grants, per-capita-caps, or repeal of the Medicaid expansion will likely adversely affect the program’s ability to respond to the Zika virus. Earmarking grant funds for the exclusive purpose of addressing Zika, in the absence of health insurance coverage, is likely to be less effective in the long term in combatting the virus.

Without Medicaid, low-income women will face reduced access to and increased cost-sharing for

family planning and other vital health care services, making them more vulnerable to the virus. Furthermore, the Medicaid program is likely to cover the costs of some Zika-affected births, as well as the subsequent medical treatment for infants born with microcephaly or other severe mental and physical disorders.³⁵ For these and other reasons, states rely on federal Medicaid dollars to supplement their own investments in times of need. State health departments, including Title V Maternal and Child Health programs, must work diligently to ensure that these women have access to comprehensive health services before, during and after exposure to Zika, regardless of the status of Medicaid in their state.

Resources

- **Association of State & Territorial Health Officials:** www.astho.org/zika
- **Centers for Medicare & Medicaid Services:** www.cms.gov
- **Medicaid:** www.medicaid.gov
- **U.S. Centers for Disease Control & Prevention:** www.cdc.gov/zika
- **Zika Care Connect:** www.zikacareconnect.org

Acknowledgment

This brief was supported by the Cooperative Agreement # 6 NU38OT000161-04-02 (formerly 3U38OT000161-03S4), funded by the Centers for Disease Control and Prevention. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of CDC.

AMCHP Contact Information

For more information, please visit the AMCHP website at www.amchp.org or contact a member of the AMCHP staff at info@amchp.org.

End Notes

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