



# HM STOP LOSS

## HM InSights: Preterm Births

### Preterm Births and Multiples Play a Role in the Rising Claims Trend

Babies born before 37 weeks of gestation are considered “preterm.” They often have health issues that require admission to neonatal intensive care units (NICUs), and the care is expensive. To analyze the costs to large employer health plans for preterm births, the March of Dimes partnered with Truven Health Analytics, Inc., and the results showed an average cost of \$5,085 for a normal full term birth compared to \$55,393 for a preterm birth in 2009.<sup>1</sup>

That same study revealed that preterm births cost employers more than \$12.7 billion in excess health care expenses in 2009, with the employer health plan costs for a premature or low birth weight baby being 12 times the costs for babies born without complications.<sup>2</sup>

### Causes of Preterm Births

**There are many causes for premature births, but some of the more common include:**

- Personal or family history of preterm birth
- Late or no prenatal care
- Premature rupture of membranes
- Medical issues like high blood pressure, preeclampsia, infections and gestational diabetes
- Pregnancy through in vitro fertilization (IVF)
- Pregnancy with multiples (twins, triplets or more)
- Pregnancy before age 17 or after age 35<sup>3</sup>
- “Elective deliveries” (Babies are delivered prior to 39 weeks of gestation for “convenience.”)<sup>4</sup>

### The Impact of Multiples

With increased use of assisted reproductive technologies (ART), there has been a growth in the birth rate of multiples. These infants are at greater risk for poor outcomes with higher occurrences of preterm birth, low birthweight and death, especially for triplets and other higher-order multiples.<sup>5</sup> These babies also have significantly higher health risks.

While just three percent of births are multiples, they account for nearly 30 times the amount spent for singleton births. Most of the expenses are tied to care for the infants due to increased NICU admission rates and longer facility stays. Surprisingly, having twins is not simply double the cost of a single birth; it is nearly five times that of a single delivery.<sup>6</sup>

### Reducing the Preterm Birth Rate

The March of Dimes has a prematurity campaign that focuses on reducing the preterm birth rate in the U.S. to 9.6 percent or less by 2020. With the rate currently in decline, many attribute the reversal to a greater understanding of the risks faced by an infant who is delivered at a gestation shorter than full term.<sup>7</sup>

The most important thing an expectant mother can do is to get proper maternal care and be aware of pregnancy issue warning signs. Providers can work with mothers who are at the greatest risk for complications to ensure that the right treatment plan is in place.

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### ABOUT HM INSIGHTS

HM developed InSights to provide producers and their clients with information about industry trends that impact Stop Loss insurance. The information is intended to empower readers with market knowledge that can help them to better make coverage decisions in the changing health care environment.

Some preterm deliveries, however, are simply unavoidable. There are drug interventions that can help to slow down labor and extend the time before delivery, which can provide the time needed to get the mother nearer to the treatment that only a Level 3 NICU can provide. There also are drugs that can help fetal lungs mature to a point where medical intervention may not be required post-birth.

Another approach to prevention is no longer permitting “elective” deliveries prior to full term. In 2011, the March of Dimes launched a quality improvement campaign with 25 hospitals to reduce the number of elective deliveries before 39 weeks, and the preterm birth rate dropped 83 percent from 27.8 percent to 4.8 percent during that year in those hospitals. The program is now available to hospitals nationwide.<sup>4</sup>

### What Employers Can Do

As they face the potential for paying a higher claim for a preterm birth, employers play a critical role in prevention. The following are tactics that employers can use to help improve outcomes:

- Offer educational resources and wellness opportunities for expectant mothers covered under the group benefits program.
- Examine claims data to gain an understanding of the trends the group is experiencing.
- Encourage maternal wellness programs.
- Ensure that employee benefit programs have the right mix of coverage and incentives.
- Institute proactive medical management practices, including screenings, care coordination and preventive treatments.
- Discourage unnecessary early deliveries scheduled for convenience by offering education about the potential for complications.

Preterm birth is an emotional subject and one that can create awkwardness in a discussion on cost and coverage. It is not easy to predict or control. However, self-funded employers, in particular, should be aware of the statistics and potential costs so they are not alarmed if faced with the expenses associated with a preterm birth. Certainly, guarding the company's bottom line with the financial protection of Stop Loss coverage is a responsible choice when facing the potential costs associated with any catastrophic medical condition.



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<sup>1</sup>Prematurity Campaign Progress Report 2013, March of Dimes; <sup>2</sup>Premature Babies Cost Employers \$12.7 Billion Annually, March of Dimes, February 7, 2014; <sup>3</sup>[www.marchofdimes.org/pregnancy/preterm-labor-and-premature-birth.aspx](http://www.marchofdimes.org/pregnancy/preterm-labor-and-premature-birth.aspx), accessed September 1, 2015; <sup>4</sup>Premature Birth Rates Could Fall with Five Proven Steps, Report Finds, [www.cbsnews.com](http://www.cbsnews.com), November 16, 2012; <sup>5</sup>Assisted Reproductive Technology Surveillance – United States, 2012, CDC MMWR, August 14, 2014, Vol 64, No 6; <sup>6</sup>Having Twins Nearly Five Times as Costly as a Single Delivery, November 12, 2013; <sup>7</sup>Births: Final Data for 2013, National Vital Statistics Report, Vol. 64, No. 1, January 13, 2015.

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