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### **The Public Costs of Unintended Pregnancies**

**June 25, 2019**

#### **Senate Budget and Appropriations Committee**

Chairman Paul A. Sarlo, Vice-Chair Sandra B. Cunningham and Members of the Committee:

Thank you for considering our testimony. As an introduction, the R Street Institute's mission is to engage in policy research and outreach to offer educational resources to stakeholders on free markets and limited, effective government in many areas, including contraception policy. We appreciate the opportunity to offer a national perspective on the financial impact of contraception access.

In 2010 alone, federal and state governments covered the expenses associated with nearly 70 percent of unplanned pregnancies in the United States, totaling \$21 billion.<sup>1</sup> Those costs have likely increased dramatically since then, given that the estimated costs of pregnancies have increased by nearly a factor of four since 2010.<sup>2</sup> In light of this, studies have shown that increased access to contraceptives leads to fewer unintended pregnancies and more savings for taxpayers.<sup>3</sup>

Currently, many states require a doctor's appointment to obtain birth control, which can be difficult to come by or simply unaffordable when factoring in consultation costs, time off work and other considerations. This has spurred many states to consider methods of reducing barriers to birth control access.<sup>4</sup>

Research has shown that women are more likely to use more effective birth control methods when they are easier to access, and that increased use of effective methods leads to fewer unplanned pregnancies and fewer related public expenditures.<sup>5</sup> What's more, nearly 70 percent of women say that they would take advantage of a pharmacy access model for obtaining

contraception, which permits women to bypass doctors and go straight to the pharmacy to obtain contraceptives, if it were available.<sup>6</sup>

Indeed, in 2015, Oregon was the first state to implement a pharmacy access model, and a 2019 study found that the model saved the state \$1.6 million in healthcare costs within the first two years of implementation.<sup>7</sup>

Currently, the costs of unplanned pregnancies in New Jersey are astounding. In 2010, unintended pregnancies in the Garden State cost taxpayers at the federal and state levels \$477.1 million, \$186.1 million of which was funded by New Jerseyans.<sup>8</sup>

The magnitude of these expenses is easy to understand. New Jersey is the second most expensive state in which to give birth. In New Jersey, the average cost of a vaginal birth without insurance is \$16,674.62, and the average caesarian section birth without insurance costs \$21,297.28.<sup>9</sup>

Lower-income women are more likely to have unintended pregnancies, in part because of the barriers to obtaining birth control,<sup>10</sup> and they typically require taxpayer assistance in order to cover these costs.<sup>11</sup> What's more, a recent study conducted by United Way found that 41 percent of Garden State households, "are considered among the working poor, meaning they struggle to afford basic necessities like food, healthcare, transportation and housing."<sup>12</sup> That translates to 3.7 million people, presumably half of which are women, whose healthcare costs may be partially or totally publicly funded.

As shown in Oregon, pharmacy access to contraception can contribute to reduced public health costs, fewer unintended pregnancies, and overall improved health for women. As more states consider this model, it is crucial to understand the positive impact that allowing pharmacists to prescribe birth control can truly have.

Thank you for your time,

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<sup>1</sup> Adam Sonfield and Kathryn Kost, "Public Costs from Unintended Pregnancies and the Role of Public Insurance Programs in Paying for Pregnancy-Related Care, National and State Estimates for 2010." The Guttmacher Institute. February 2015.

[https://www.guttmacher.org/sites/default/files/report\\_pdf/public-costs-of-up-2010.pdf](https://www.guttmacher.org/sites/default/files/report_pdf/public-costs-of-up-2010.pdf)

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<sup>2</sup> Hillary Hoffower, “How much it costs to have a baby in every state, whether you have health insurance or don’t,” *Business Insider*, July 9, 2018. <https://www.businessinsider.com/how-much-does-it-cost-to-have-a-baby-2018-4>; Darla Mercado, “Forget college tuition. Annual child-care costs exceed \$20,000 in these states,” *CNBC*, August 28, 2018. <https://www.cnbc.com/2018/08/28/forget-college-tuition-annual-childcare-costs-exceed-20000-here.html>

<sup>3</sup> “Unintended Pregnancy in the United States,” Guttmacher Institute, January 2019. <https://www.guttmacher.org/fact-sheet/unintended-pregnancy-united-states>; “Study: Expanded Birth Control Access Could Lower Unintended Pregnancy Rate By 64,” Planned Parenthood Action Fund, March 10, 2017. <https://www.plannedparenthoodaction.org/blog/study-expanded-birth-control-access-could-lower-unintended-pregnancy-rate-by-64>; Diane Duke Williams, “Access to Free Birth Control Reduces Abortion rates,” Washington University School of Medicine, October 2, 2012. <https://medicine.wustl.edu/news/access-to-free-birth-control-reduces-abortion-rates/>

<sup>4</sup> Dima Mazen Qato, et al., “The availability of pharmacies in the United States: 2007-2015.” *PLoS ONE* 12:8. <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0183172>

<sup>5</sup> Lawrence B. Finer and Mia R. Zoina, “Shifts in intended and unintended pregnancies in the United States, 2001-2008.” <https://www.ncbi.nlm.nih.gov/pubmed/24354819>; Lawrence B. Finer and Mia R. Zoina, “Declines in Unintended Pregnancy in the United States, 2008-2011.” <https://www.ncbi.nlm.nih.gov/pubmed/26962904>

<sup>6</sup> Sharon Cohen Landau et al., “Birth control within reach: a national survey on women’s attitudes toward and interest in pharmacy access to hormonal contraception.” *Contraception* 74:6, December 2006. [https://www.contraceptionjournal.org/article/S0010-7824\(06\)00311-8/abstract](https://www.contraceptionjournal.org/article/S0010-7824(06)00311-8/abstract)

<sup>7</sup> Maria I. Rodriguez, et al., “Association of Pharmacist Prescription of Hormonal Contraception With Unintended Pregnancies and Medical Costs.” *Obstetrics & Gynecology* 133:6. June 2019. [https://journals.lww.com/greenjournal/Abstract/2019/06000/Association\\_of\\_Pharmacist\\_Prescription\\_of\\_Hormonal.23.aspx](https://journals.lww.com/greenjournal/Abstract/2019/06000/Association_of_Pharmacist_Prescription_of_Hormonal.23.aspx)

<sup>8</sup> “State Facts About Unintended Pregnancy: New Jersey,” The Guttmacher Institute, 2016. [https://www.guttmacher.org/sites/default/files/factsheet/nj\\_17.pdf](https://www.guttmacher.org/sites/default/files/factsheet/nj_17.pdf)

<sup>9</sup> *Ibid.*

<sup>10</sup> “Contraceptive Use in the United States,” The Guttmacher Institute, July 2018. <https://www.guttmacher.org/fact-sheet/contraceptive-use-united-states>

<sup>11</sup> “Unintended Pregnancy in the United States,” The Guttmacher Institute, January 2019. <https://www.guttmacher.org/fact-sheet/unintended-pregnancy-united-states>

<sup>12</sup> “ALICE (Asset Limited, Income Constrained, Employed) Study,” The United Way, May 17, 2018. <https://www.unitedforalice.org/in-the-news/41-of-n-j-households-among-the-working-poor-and-it-s-getting-worse-is-the-state-too-expensive>