# Public Funding for Family Planning, Sterilization and Abortion Services, FY 1980–2006

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# Executive Summary

## Background and Methods

The federal and state governments have long subsidized contraceptive and sterilization services, and to a lesser extent abortion, for low-income Americans. Public funding for contraceptive and related services come from a variety of sources:

• *Title X of the Public Health Service Act*. The federal government's targeted family planning program provides grants to 38 state agencies and 39 nonstate organizations (such as regional family planning councils, Planned Parenthood affiliates and community health agencies). Collectively, the program provides services in all 50 states and the District of Columbia and sets a high standard for family planning provision across the country.

• *Medicaid*. This joint federal-state program provides a broad package of medical care to millions of low-income individuals and families. Family planning services and supplies are covered for all program enrollees and states are reimbursed for such services by the federal government at an enhanced 90% rate. By FY 2006, 14 states had received a "waiver" of Medicaid rules to expand the program's role in providing contraceptive services. These waiver programs expand a state's income-eligibility level for family planning services well above its level for Medicaid overall.

• *Federal block grants*. Federal law specifically allows states to fund family planning services through three major grants provided to agencies in every state: the maternal and child health (MCH) block grant, the social services block grant (SSBG) and Temporary Assistance for Needy Families (TANF).

• *State appropriations*. Most states use some of their own money (in addition to funds required to match federal grants) for family planning services. For example, Medicaid agencies in some states dedicate their own funds to provide services to groups of people, such as many immigrants, who are barred from federally reimbursed Medicaid.

In this report we present the results of a survey of FY 2006 public expenditures for family planning client services, family planning education and outreach activities, sterilization services and abortion services. We also compare FY 2006 data for family planning client services with those from a series of prior surveys between FY 1980 and FY 2001.

We obtained FY 2006 data on public expenditures through Medicaid directly from the Centers for Medicare and Medicaid Services (CMS), which administers the program on a national level. To obtain data on expenditures through other federal and state programs, we sent questionnaires via electronic mail to the health, social services and Medicaid agencies in all 50 states and the District of Columbia, as well as to 39 nonstate Title X grantees. Responses were obtained from all but one of the social services agencies and five of the Medicaid agencies. Comparative data from prior years are culled from prior published articles.

Throughout this report, we use the term "family planning client services" to refer to the broad package of direct patient care services provided through family planning programs to reversible contraceptive clients. Family planning client services include client counseling and education, contraceptive drugs and devices, related diagnostic tests (e.g., pregnancy, Pap, HIV, other STIs) and treatment after diagnosis (e.g., for urinary tract infections and STIs other than HIV). Whenever possible, we separate out services that are not part of the standard package provided to clients seeking contraceptives, such as outreach and education activities, sterilization services (both of which we report separately) and administrative expenses.

The data in this report represent the most complete summary of public funding available. Nevertheless, the data are by no means perfect. For example, expenditure data for outreach and education activities and for sterilization services could not always be separated out from family planning client services. As a result, the re-

port should be considered as an approximation, rather than a precise accounting.

## Key Findings

Public expenditures for family planning client services totaled $1.85 billion in FY 2006. Medicaid accounted for 71% of the total, whereas state appropriations accounted for 13% and Title X accounted for 12% (Figure A). Together, other funding sources such as the MCH block grant, the SSBG and TANF, account for 5% of total funding. Although Medicaid was the dominant source of funding in most states, the other funding sources were vital in many specific states.

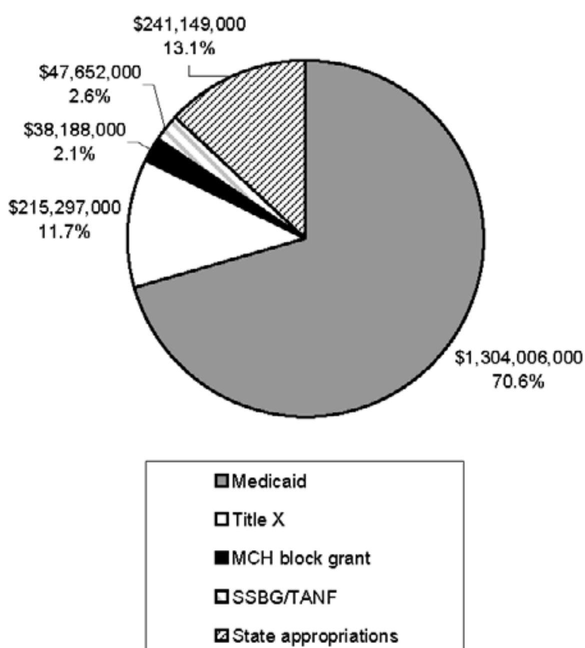
From FY 1980 to FY 2006, inflation-adjusted public funding for family planning client services rose 18%. Funding dropped sharply in the early 1980s but has since recovered, driven by a growth in Medicaid expenditures since the early 1990s. This trend did not hold in many individual states, however: Even during a period of sustained national growth, between FY 1994 and FY 2006, inflation-adjusted spending decreased or stagnated in 18 states and the District of Columbia. Over the two and half decades, Medicaid expenditures rose from 20% to 71% of total funding, while Title X expenditures fell from 44% to 12% and federal block grant expenditures fell from 22% to 5%.

By the middle of FY 2001, six states had initiated income-based expansion programs providing family planning services under Medicaid to individuals with incomes well above the cut-off for Medicaid eligibility overall. Eight additional programs were implemented between mid-2001 and mid-2006. These 14 programs are a driving force behind the national trends in public funding: Since FY 1994, inflation-adjusted Medicaid spending on family planning tripled in those 14 states (from $252 million to $759 million) and that $507 million growth accounted for two-thirds of total, national growth in inflation-adjusted public expenditures for family planning client services (Figure B). Between 2000 and 2005, the number of Medicaid family planning clients in those 14 states grew by 60%.

Reported spending on outreach and education activities totaled $43 million in FY 2006. SSBG and TANF funding accounted for $18 million of the total, Title X accounted for $13 million and state appropriations, $10 million. Reported public spending on sterilization services in FY 2006 totaled $116 million, 97% of which was through Medicaid. Both totals should be regarded as undercounts.

The state and federal governments spent $89 million to fund 177,000 abortion procedures for low-income women in FY 2006. The federal government contributed to the cost of only 191 procedures. Virtually all publicly funded abortion procedures occurred in the 17 states that have nonrestrictive abortion policies.

**Figure A**
Public expenditures on family planning client services, FY 2006



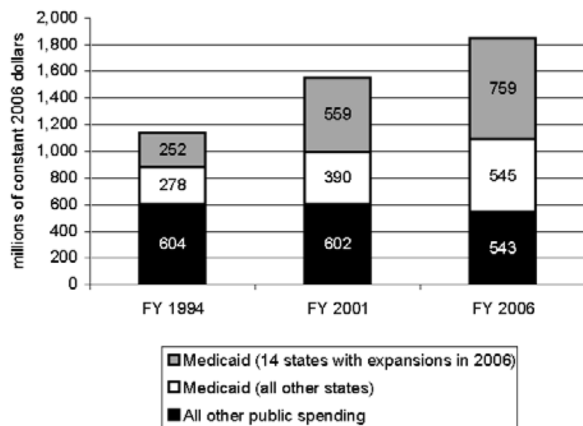

## Conclusions

Public funding for family planning client services suffered major cuts during the early 1980s and has only this decade fully recovered at the national level. Yet, even today, inflation-adjusted spending has decreased or stagnated in one-third of the states.

The growth that did occur was driven, almost entirely, by increases in spending through the Medicaid program. In many ways, this growth in family planning expenditures via Medicaid mirrors a broader growth in spending throughout that massive program, which has become the nation's single largest payer of medical services. Even at $1.3 billion, expenditures for family planning under Medicaid account for less than one-half of one percent of the program's total spending in FY 2006.

In fact, the growth in family planning expenditures under Medicaid was itself driven largely by spending in 14 states that had initiated Medicaid family planning expansions by the middle of FY 2006. Six additional states have received approval for similar expansions, and federal legislation has been proposed to make it easier for every state to follow this path. Undoubtedly,

**Figure B**
The role of Medicaid family planning expansions in public spending for family planning client services




Medicaid's importance to public funding for family planning will continue to grow.

This rapid growth in Medicaid family planning spending stems in part from an increase in clients served. Data from this and a prior Guttmacher study indicate that states with Medicaid family planning expansions have substantially increased their client base. The other major factor behind the growth in spending is the rising cost of medical care generally and family planning services in particular. Family planning providers are struggling under the weight of expensive new contraceptive technologies, a spike in the price of contraceptive supplies and the need to provide a broader package of services to family planning clients.

Despite the increasing importance of Medicaid, the Title X program, state appropriations and the federal block grants all continue to play important roles in individual states and, especially with regard to Title X, nationwide. State agencies and family planning providers value these funding sources because of their flexibility. Unlike Medicaid, they are not tied to clinical services or to individual clients and are not constrained by Medicaid's oftentimes restrictive eligibility standards. Instead, these funding sources can be used for outreach and education activities, community and group interventions, building and maintaining clinic infrastructure, and filling in the gaps in the populations and services that Medicaid programs are able to cover. Moreover, the Title X program sets nationwide standards for public family planning services, ensuring that the services provided are comprehensive, voluntary, confidential and affordable.

Together, these funding sources form a safety net to help provide family planning and related services to millions of low-income women and men. With these services, women and couples avoid over one million unplanned pregnancies annually, pregnancies that would have a real impact on individuals, families and society.

## Chapter 1

# Introduction

Millions of Americans are in need of reproductive health services but have difficulty affording them. To address these needs, state and federal governments have long provided support for contraceptive and sterilization services, and to a lesser extent abortion. A host of federal, state and local decision makers have a role in determining the levels and sources of this support, however, and a nationwide picture of funding is needed. With such data, state and federal policymakers, along with providers of and advocates for reproductive health care, can see what decisions have been made across states, funding sources and time, and can assess how well governments are meeting their citizens' needs and what they could be doing better.

Public funds for subsidized contraceptive services come from a variety of federal and state sources. Until the mid-1990s, there were four primary federal sources of funding: Title X of the Public Health Service Act, the maternal and child health (MCH) block grant, Medicaid and the social services block grant (Titles V, XIX and XX of the Social Security Act).[1] Another federal source, the Temporary Assistance for Needy Families (TANF) block grant, was created in 1996; TANF is the main federal source of financial "welfare" aid. The relative importance of these sources, as well as of states' own programs, differs largely according to how each state's policymakers have decided to fund their family planning effort.

Title X is the sole federal program devoted to family planning and is the program through which the federal government sets overall policy regarding family planning. Title X is administered by the U.S. Department of Health and Human Services (DHHS), which awards grants to public and nonprofit private agencies for the operation of clinics that provide care largely to the uninsured and underinsured. For FY 2006 (October 1, 2005, through September 30, 2006), the DHHS Office of Population Affairs awarded Title X service grants to 38 state agencies and 39 nonstate organizations (such as regional family planning councils, Planned Parenthood affiliates and community health agencies) that collectively provided services in all 50 states and the District of Columbia.[2]

The MCH block grant and social services block grant (SSBG) are solely provided to and controlled by state governments, although the funds are often passed on to other public and private agencies. The MCH grant goes to the state's health agency, and the SSBG goes to the state's social services agency, although the same agency serves both functions in some states. Federal law specifically allows states to use either grant for family planning services. States are required by federal law to match every four federal MCH dollars with three state dollars. A match is not required for the SSBG.

The TANF block grant is also provided directly to state social services agencies, which administer the states' welfare programs. The 1996 law authorizing TANF included reducing nonmarital pregnancies as one of four overarching goals for the program and allowed spending for "prepregnancy family planning services" as the single exception to a rule against funding medical services.[3] Federal law does not require states to match TANF dollars, but it does require them to maintain a specified level of state expenditures on TANF-related services. Because federal law allows states to transfer a portion of their TANF allotment to the SSBG, the funding for these two programs is essentially interchangeable.

Medicaid is a program jointly funded and shaped by the federal and state governments to provide medical care to various low-income populations. Unlike Title X and the federal block grants, Medicaid is an entitlement program, meaning that federal law guarantees reimbursement for services provided to everyone enrolled under federal and state eligibility criteria. For most expenses, the federal government pays for 50–76% of states' Medicaid expenditures. By federal law, however, the federal government pays for 90% of each state's Medicaid expenditures for family planning services and

supplies. Although federal law requires that Medicaid cover family planning services, states have leeway in deciding what exactly is included under that rubric; generally, states have chosen to cover a broad range of contraceptive options and related services.

The entitlement to family planning also applies to expansions to Medicaid (called "M-SCHIP") created by states under the State Children's Health Insurance Program, a companion program for Medicaid enacted by Congress in 1997 to provide care to low-income children. States were also given the option to create separate, state-designed programs (S-SCHIP), which allow states greater latitude in choosing what benefits to offer (family planning services are optional).

An important development in Medicaid's role in providing contraceptive services has been state-initiated family planning eligibility expansions; these "waiver" programs require approval from DHHS.[4] In 1996, Arkansas became the first state to initiate such a waiver program to expand its income-eligibility level for family planning services above its level for Medicaid overall, and by FY 2006, 13 additional states had followed suit. Most of these states have extended family planning coverage to individuals with an income at or near 200% of the federal poverty level; by contrast, the eligibility ceiling for parents to join Medicaid averages 65% of poverty, and childless adults are not typically eligible at all for Medicaid.[5] (Six more states have created income-based expansion programs subsequently, and several other states have created more limited programs that extend family planning eligibility for women who are otherwise leaving Medicaid, typically after giving birth.[6])

Most state governments direct some of their own funds (in addition to funds required to match federal grants) to subsidize contraceptive services. Many states' Medicaid agencies use state appropriations to provide medical services (including contraceptive services) to people, such as certain categories of immigrants, who fail to meet federal criteria for Medicaid eligibility.

In addition to the funding sources mentioned above, there are several other sources that may be of some unknown importance. Some small amount of public expenditures for contraceptive services may be spent through Medicare, for disabled clients who are of reproductive age and not poor enough to also qualify for Medicaid. It is likely that more substantial expenditures for family planning services are made each year through the Indian Health Service (IHS) and through the Bureau of Primary Health Care's Health Centers program (section 330 of the Public Health Service Act). Clinics receiving funding through these two programs do provide family planning services; however, many of their clients are covered under Medicaid or have their services subsidized via other sources of funding, such as Title X, and data are not available on the extent to which these clinics spend IHS or section 330 dollars on these services.

The vast majority of publicly funded sterilizations are through Medicaid, although state appropriations and other federal programs also contribute funds. Sterilizations funded through DHHS are limited by regulations implemented in 1979 in response to evidence of coercive sterilization practices. These rules include a complex procedure to ensure women's informed consent, a 30-day waiting period between consent and the procedure, and a prohibition on sterilization of anyone who is younger than 21 or mentally incompetent.[7]

The policies governing public funding for abortions, and thus the number of abortions funded, vary tremendously by state. Most states have restrictive policies and typically pay for only the share of abortions provided to Medicaid recipients that is dictated by federal law. That law requires federal Medicaid funds (and other DHHS funding) to be used to terminate only those pregnancies that threaten the life of the woman or are the result of rape or incest.* States are reimbursed for these abortions (which are often more expensive than a typical abortion) at their normal Medicaid matching rate, not the 90% family planning rate. In FY 2006, 17 states officially had nonrestrictive policies, using their own funds to pay for most or all medically necessarily abortions provided to Medicaid recipients. Four of these states had voluntarily adopted such a policy; the remainder were under court orders saying that less-extensive coverage was in violation of their state constitutions.[8]

This report presents the results of a survey of FY 2006 public expenditures for family planning client services, family planning education and outreach activities, sterilization services and abortion services. We look at expenditures nationally, for each state and for each funding source. We also compare FY 2006 data for family planning client services with those from a series of prior surveys between FY 1980 and FY 2001.[9–16] As in past reports, we also look at data on abortion utilization; because of restrictive reporting requirements and other policies around abortion, it is the

*A few states with restrictive policies also provide funding in additional rare circumstances, such as in cases of fetal abnormality.

only one of the services for which reasonable estimates of utilization are universally available. The data in this article represent the most complete summary of public funding available. Given the methodological concerns mentioned below, however, the data (along with data from prior surveys) should be considered an approximation, rather than a precise accounting.

# Chapter 2

# Methodology

## Fielding, Response and Survey Instruments

In February 2007, questionnaires were sent via e-mail to the health, social services and Medicaid agencies in all 50 states and the District of Columbia, as well as to 39 nonstate Title X grantees that were identified by the federal Office of Population Affairs as administering the provision of clinical services. Contacts that had not responded received a second round of e-mails followed by personal contact via telephone and e-mail to obtain clarification and additional data. Fieldwork continued through September 2007.

Responses were obtained from all health agencies; social services agencies in 49 states and the District of Columbia; Medicaid agencies in 46 states; and all 39 of the nonstate Title X agencies.* We obtained Medicaid/M-SCHIP and S-SCHIP expenditure data directly from the Centers for Medicare and Medicaid Services (CMS), which administers the programs on a national level. Data on Medicaid family planning clients served were obtained from CMS's online Medicaid Statistical Information System Datamart.[16] In a few cases, we mined other resources, such as published state reports, for data.

Four similar questionnaires were designed—one for each type of respondent: nonstate Title X grantees and state health, social services and Medicaid agencies. The first three questionnaires requested data on total expenditures from various funding sources for family planning–related services and activities in FY 2006, as well as the amount spent specifically on family planning client services, outreach and education activities, sterilization services and administrative expenses. The list of funding sources differed depending on the particular agency. Sources included Title X, the MCH block grant, TANF and the SSBG (asked about jointly because of the programs' close ties), other federal funding sources (not including Medicaid or SCHIP) and state appropriations (which include a variety of state and local monies but specifically exclude state funds used to match federal grants, which we asked states to include with the appropriate grant). We also asked the health and social services agencies about the amount of state appropriations spent on abortions and the number of abortions funded.

Because we obtained data on federally reimbursed Medicaid expenditures from CMS, the questionnaire for Medicaid agencies asked about state-only expenditures by the agency (expenditures for which no federal reimbursement was claimed) on family planning services and supplies, contraceptive sterilization services and abortion services. The questionnaire also included several questions about managed care coverage under Medicaid, to help in estimating family planning client services expenditures under capitated plans.

## Terminology and Data Analysis

Throughout this report, we use the term "family planning client services" to refer to the package of direct patient care services provided through family planning programs to reversible-contraceptive clients. Family planning client services include client counseling and education, contraceptive drugs and devices, related diagnostic tests (e.g., pregnancy, Pap, HIV, other STIs) and treatment after diagnosis (e.g., urinary tract infections and STIs other than HIV). Whenever possible, we separated out services that are not part of the standard package provided to clients seeking contraceptives, such as outreach and education activities, sterilization services (both of which we report separately), and administrative expenses. CMS provided data according to this definition of contraceptive services for every state's Medicaid program. Data obtained from state agencies and Title X grantees for the other funding sources, however, often include some outreach/ed-

*Nonrespondents included social services agencies in Oklahoma and Medicaid agencies in Alaska, Delaware, Georgia, North Carolina and the District of Columbia. In the past, U.S. jurisdictions–American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the Virgin Islands–were also queried but, in light of continued nonresponse, were not included in the FY 2006 study.

ucation, sterilization and administrative expenses, as noted in the tables. In part for that reason, the expenditure data we report for outreach and education activities and for sterilization services should not be viewed as complete.

In presenting findings, we in many cases combine data obtained from multiple agencies. When one or more agencies report a nonzero expenditure, we present such expenditures, even if other agencies did not respond to the question or told us that an unknown amount had been spent. When no agency reported a nonzero expenditure but at least one agency reported that an unknown amount had been spent, we report expenditures under that funding source as unknown. When some of the agencies reported no expenditures and others did not respond, we present findings based on the agency which typically has primary responsibility for the given funding source: the social services agency for TANF and the SSBG; the health agency for other federal funds (which is most often the preventive health block grant); and, jointly, the health and Medicaid agencies for state and local funding sources.

For FY 2006, Medicaid includes M-SCHIP and S-SCHIP expenditures. Data for Medicaid and the MCH block grant include matching funds provided by states. Data on other federal sources include the preventive health and health services block grant, federal programs for STI prevention and control, and federal programs for breast and cervical cancer screening.

A number of respondents indicated that some or all of their data were not for federal fiscal year 2006 (October 1, 2005, through September 30, 2006), as requested, but rather for either the calendar year or the state's fiscal year, which for most states ran from July 1, 2005, through June 30, 2006. For the sections in which we group states according to state policy (e.g., Medicaid family planning eligibility expansions and policies on public funding for abortion), we use state policies in place as of the midpoint of the given federal fiscal year (April 1, 2001 and 2006). Only income-based Medicaid family planning eligibility expansions are used in this analysis, because enrollment in and expenditures for the more limited postpartum programs were small.

Comparative data from prior years are culled from prior published articles.[1,9–16] For the section in which we compare data over time for contraceptive services in constant dollars, we converted data to constant 2006 dollars using the Medical Care Consumer Price Index–All Urban Consumers, with $1.00 in 2006 equal to $4.49 in 1980.[17]

Changes made to question wording and methodology in recent surveys may have resulted in some loss of comparability with prior surveys. Researchers in surveys prior to FY 2001 attempted to use a narrower definition of family planning client services, excluding such services as STI tests and drugs, Pap smears and pregnancy tests. Only a small proportion of respondents, however, were able to separate out these services in prior surveys, and reported contraceptive expenditures under Medicaid always included them. For FY 2001, using the broader definition added only 1% to overall expenditures. In addition, FY 2001 and FY 2006 data on most Medicaid expenditures were obtained directly from CMS, rather than from state agencies. The CMS data included claims made retrospectively by states and should be more accurate than data received in past surveys. It should be noted that comparability among versions of this survey has always been a problem, because researchers have repeatedly refined their questionnaires and have made other methodological changes to improve precision.

### Medicaid Managed Care

A previous survey in this series, from FY 1994, identified a serious and potentially growing methodological problem: the increasing importance of managed care in the Medicaid program. In FY 1994, 23% of Medicaid enrollees were in some type of managed care plan; by FY 2001, that figure was 57% and by FY 2006, 65%.[18,19] Although states have a financial incentive to keep track of expenditures for contraceptive services, given the special 90% matching rate, not all states are able to identify contraceptive services provided through capitated managed care plans (i.e., plans that pay a set amount per patient, rather than by specific service). This results in a potentially serious undercount of expenditures.

For the FY 2001 and FY 2006 surveys, we have taken several steps to assess this potential undercount and correct it when necessary. First, based on an in-depth study we commissioned of Medicaid expenditures in four states, we determined that women enrolled in capitated managed care plans and in fee-for-service plans received a similar number of contraceptive services each year. Thus, expenditure data could be adjusted using the proportion of women or clients in the state enrolled in capitated managed care as an inflator.[20]

Because some women in capitated managed care, however, receive family planning services outside of their plan using a federally required "freedom of choice" option, a further adjustment was needed. (Ex-

penditures for freedom-of-choice services are reported as fee-for-service and do not need to be estimated.) No data are available on the frequency with which freedom of choice is utilized, but ongoing discussions with family planning providers and state officials over the past several years have led us to believe that the proportion of women making use of this option is small. For FY 2006, we have estimated that 10% of women enrolled in capitated plans received freedom of choice services, and we created a final adjustment factor based on 90% of the capitated enrollment. (For FY 2001, we estimated that 50% of such women received freedom of choice services, a proportion we now believe to be unreasonably high.)

Second, to decide how and when to apply the correction factor, we obtained data from the Medicaid Statistical Information System (MSIS) about the proportion of female Medicaid enrollees aged 13–44 who were in capitated managed care plans in 2004 (the most recent year for which data were available from MSIS).[21] To account for the possibility that this rate had changed substantially between 2004 and our survey year, 2006, we compared the proportion of all Medicaid enrollees who were in capitated plans for the two years, because data for that broader measure were available for both years.[20,22] For six states,* enrollment in capitated plans had changed substantially, and for those states we used the 2006 data, despite the fact that the measure encompassed more than reproductive-age women.

Third, in our survey of state Medicaid agencies, we asked states that had reproductive-age women enrolled in capitated plans to tell us whether they claimed federal reimbursement at the 90% rate for family planning services provided to those women. Depending on the response, we determined how much the CMS Medicaid expenditure data needed to be adjusted for each state. For those states that reported no capitated managed care enrollment or that reported claiming their capitated expenses at the 90% rate, we have simply used the CMS expenditure data. For a number of jurisdictions, however, we adjusted the CMS data upward. Thirteen states reported that none or almost none of the contraceptive services provided to enrollees of capitated managed care were claimed at the 90% rate.† Three additional states‡ and the District of Columbia did not respond to our question, but we suspected that the reported expenditures were too low, based on analysis of past expenditure data and/or their response to our FY 2001 survey. For these 17 jurisdictions, we adjusted expenditures using an inflator equal to 90% of the capitation rate, as described above. (In making this adjustment, we excluded expenditures via Medicaid waiver programs in states with an income-based Medicaid family planning waiver, because expenditures under such a family planning waiver are reported as fee-for-service.) These adjustments for the 17 jurisdictions resulted in a nationwide increase of 10% in estimated Medicaid expenditures on contraceptive services for FY 2006.

It is also possible that capitated managed care affected our estimates of expenditure data under Medicaid for sterilization services and, among those states that fund medically necessary abortions, for abortion services. (Federally reimbursed abortions have strict reporting requirements, regardless of capitation, and expenditure data on such abortions should therefore be reported in full.) We had no basis, however, upon which to make adjustments. On a related note, we report only those sterilization expenses under Medicaid claimed at the family planning matching rate of 90%, so as to exclude noncontraceptive procedures such as hysterectomies; for states that are inconsistent in claiming the 90% rate for contraceptive sterilizations, our estimates (in this and prior surveys) would be low.

*Georgia, Indiana, Iowa, Oklahoma, Vermont and West Virginia.

†California, Florida, Illinois, Minnesota, Nebraska, New Mexico, New York, North Dakota, South Carolina, Virginia, Washington, West Virginia and Wisconsin.

‡Georgia, Hawaii and Vermont.

## Chapter 3

# Findings

This chapter summarizes findings on public funding for family planning client services, as well as for family planning outreach and education activities, sterilization services and abortion services. The findings highlighted in this section reflect the major national trends in public funding over the past three decades. Please refer to Tables 2-9 for state-by-state data.

### Family Planning Client Services

*Expenditures in FY 2006*

- Public expenditures for family planning client services totaled $1.85 billion in FY 2006 (Table 1).
- Medicaid accounted for 71% of the total, whereas state appropriations accounted for 13% and Title X accounted for 12%. Together, other funding sources such as the MCH block, the SSBG and TANF account for 5% of total funding (Table 1).
- Six states (CA, KY, NY, OR, PA and WA) accounted for half of all Medicaid expenditures, yet Medicaid was the single largest source of funding for 41 states (Tables 2 and 3).
- Title X expenditures are distributed according to a formula determined by the federal government. Title X funds accounted for at least 25% of all funding in 18 states and the District of Columbia (Tables 2 and 3).
- Four states (CA, FL, NY and NC) accounted for more than half of all state appropriations. State appropriations accounted for at least 10% of all funds in 20 states (Tables 2 and 3).
- Four states (GA, IL, PA and TX) accounted for more than three-quarters of all SSBG and TANF spending. SSBG/TANF funding accounted for at least 10% of funding in six states (Tables 2 and 3).
- Five states (NY, NC, TN, TX and WI) accounted for more than half of all MCH spending. MCH block grant funds accounted for at least 10% of all funding in five states (Tables 2 and 3).

*Trends in expenditures, FY 1980–FY 2006*

- Actual public expenditures on family planning client services rose from $350 million in FY 1980 to $1.85 billion in FY 2006 (Table 4).
- When accounting for inflation, public funding for family planning client services rose 18% from FY 1980 to FY 2006 (Table 5). Funding dropped in the early 1980s and only again reached FY 1980 levels in FY 2006 (Figure 1).
- As a percentage of total expenditures, funding sources have shifted dramatically from FY 1980 to FY 2006:
  - Medicaid expenditures rose from 20% of total funding in FY 1980 to 71% in FY 2006 (Figure 2).
  - Title X expenditures fell from 44% of total funding in FY 1980 to 12% in FY 2006 (Figure 2). Over that period, inflation-adjusted Title X funds fell from $687 million to $215 million (a 69% drop) (Figure 1).
  - State appropriations fell marginally from 15% of total funding in FY 1980 to 13% in FY 2006 (Figure 2).
  - Funding from all other federal sources fell from 22% of total funding in FY 1980 to 5% in FY 2006 (Figure 2).

- Since FY 1980, inflation-adjusted expenditures via Medicaid more than quadrupled, with most of the growth having occurred since the early 1990s. This growth in Medicaid since FY 1980 has driven the increase in overall spending (Figure 1).
- Most growth has occurred since FY 1994. Inflation-adjusted spending decreased or stagnated in 18 states and the District of Columbia between FY 1980 and FY 2006 (Table 5): It grew by less than 10% in two states and fell in 16 states and the District of Columbia.

*Expenditures by Medicaid family planning expansion status*

- By the middle of FY 2006, 14 states had initiated income-based expansion programs providing family planning services under Medicaid to individuals with incomes well above the cut-off for Medicaid eligibility overall. Eight of these programs were implemented after mid-2001.
- Inflation-adjusted Medicaid spending on family planning client services in these eight states with new programs grew by 115% between FY 2001 and FY 2006, while spending in states without income-based family planning expansions grew by 40% (Table 6). These eight states accounted for 46% of all new inflation-adjusted Medicaid spending on family planning client services over this time period.
- This increase in Medicaid spending translated into an increase in overall public spending for family planning client services. Adjusted for inflation, spending in the eight states with new expansion programs increased by 57% between FY 2001 and FY 2006, compared with 18% among states without expansions (Table 6).
- States that started their expansions early increased their expenditures on family planning client services by 156% between FY 1994 and FY 2006, with almost all of that growth having occurred by FY 2001 (Table 6).
- Medicaid accounted for all of the U.S. growth in inflation-adjusted family planning expenditures from FY 1994 to FY 2006 (Figure 3). Significantly, Medicaid spending in the 14 states that initiated expansions during that time period tripled (from $252 million to $759 million; Table 6). That $507 million growth accounted for two-thirds of the $775 million growth in Medicaid spending nationwide.
- This growth in Medicaid spending translated into a growth in clients receiving family planning services under Medicaid. Clients served in the 14 states with Medicaid family planning expansions grew by 60% (from 1.8 million to 2.9 million clients aged 13–44) from 2000 to 2005; in contrast, clients served in other states grew by only 18% (from 803,000 to 951,000; Figure 4). (Comparable data on clients served were not available for the mid-1990s.)

## Outreach and Education Activities

- Reported spending on outreach and education activities totaled $43 million in FY 2006 (Table 7). SSBG/TANF funding accounted for $18 million of the total, Title X accounted for $13 million and state appropriations, $10 million.
- Thirty states and the District of Columbia reported that some expenditures for outreach and education activities were included in their reported expenditures for family planning client services through one or more funding sources (Table 2). As a result, the total reported here for outreach and education should be regarded as an undercount.

## Sterilization Services

- In FY 2006, reported public spending on sterilization services totaled $116 million, 97% of which was spent through Medicaid. Eight states account for half of all reported spending (Table 8).
- Ten states and the District of Columbia reported no spending on sterilization through Medicaid (Table 8).
- Twenty-one states and the District of Columbia reported that some expenditures for sterilization were included in their reported expenditures for family planning client services through one or more funding sources (Table 2). As a result, the total reported here for sterilization should be regarded as an undercount.

## Abortion Services

- The federal and state governments funded 177,000 abortion procedures for low-income women in FY 2006. The federal government contributed to the cost of 191 procedures while the remainder were entirely funded with state dollars (Table 9).
- Well over 99% of publicly funded abortion procedures occurred in the 17 states that have nonrestrictive policies (Table 9).
- Together, the federal and state governments spent $89 million on abortion procedures in FY 2006 with state appropriations constituting more than 99% of that figure (Table 9).

**Table 3.1. Reported public expenditures for family planning client services, by funding source, FY 2006**

| **Funding source** | Expenditures | % of total |
|---|---|---|
| **U.S. total** | **$1,846,963,000** | **100.0%** |
| Medicaid | 1,304,006,000 | 70.6% |
| Title X | 215,297,000 | 11.7% |
| Maternal and child health (MCH) block grant | 38,188,000 | 2.1% |
| Social services block grant (SSBG) and Temporary Assistance for Needy Families (TANF) | 47,652,000 | 2.6% |
| Other federal sources | 670,000 | 0.0% |
| State appropriations | 241,149,000 | 13.1% |

**Table 3.2. Reported public expenditures for family planning client services (in 000s of dollars), by funding source, according to state, FY 2006**

| State | Total | Medicaid | Title X | MCH block grant | SSBG and TANF | Other federal sources | State appropriations |
|---|---|---|---|---|---|---|---|
| **U.S. total** | **$1,846,963** | **$1,304,006** | **$215,297** | **$38,188** | **$47,652** | **$670** | **$241,149** |
| Alabama | 32,084 | 22,899 | 5,112 | 0 | 550 | 0 | 3,523 *,†,‡ |
| Alaska | 1,921 | 342 | 1,242 *,†,‡ | 62 | 275 | 0 | nr |
| Arizona | 38,062 | 32,743 | 4,520 †,‡ | 800 | 0 | 0 | 0 |
| Arkansas | 20,039 | 17,084 | 2,766 | 0 | 0 | 0 | 189 |
| California | 387,707 | 320,918 | 13,632 * | 0 | 0 | 0 | 53,157 |
| Colorado | 9,224 | 4,778 | 3,258 | 0 | nr | 0 | 1,188 *,†,‡ |
| Connecticut | 17,880 | 13,785 | 1,920 | 19 | 1,053 | 0 | 1,102 |
| Delaware | 4,991 | 3,595 | 1,223 | nr | 0 | nr | 173 |
| District of Columbia | 1,300 | 69 | 1,206 *,†,‡ | 0 | 0 | 25 | nr |
| Florida | 64,296 | 20,656 | 11,753 *,†,‡ | 0 | 0 | 0 | 31,887 *,†,‡ |
| Georgia | 18,099 | 2,518 | 8,329 *,†,‡ | 0 | 6,047 *,†,‡ | 0 | 1,206 *,†,‡ |
| Hawaii | 1,374 | 280 | 998 | 0 | 0 | 0 | 96 |
| Idaho | 7,592 | 1,838 | 1,555 † | 588 | 0 | 0 | 3,611 *,†,‡ |
| Illinois | 49,681 | 30,701 | 7,326 †,‡ | 635 †,‡ | 3,405 †,‡ | 0 | 7,615 †,‡ |
| Indiana | 9,808 | 2,282 | 4,479 | 1,150 †,‡ | 1,897 | 0 | u |
| Iowa | 13,477 | 9,339 | 3,637 †,‡ | 0 | 434 *,†,‡ | 0 | 67 *,†,‡ |
| Kansas | 14,512 | 7,512 | 2,228 †,‡ | 0 | 0 | 0 | 4,773 †,‡ |
| Kentucky | 66,846 | 52,939 | 5,259 † | 996 †,‡ | 0 | 0 | 7,652 *,†,‡ |
| Louisiana | 20,378 | 11,723 | 3,402 | 306 | 245 | 0 | 4,702 |
| Maine | 7,927 | 5,117 | 1,573 ‡ | 57 ‡ | 809 †,‡ | 153 †,‡ | 217 ‡ |
| Maryland | 40,230 | 25,871 | 4,075 †,‡ | 0 | 0 | 0 | 10,285 †,‡ |
| Massachusetts | 30,296 | 21,948 | 3,805 ‡ | 40 | 0 | 0 | 4,502 |
| Michigan | 38,788 | 23,702 | 7,265 | 1,493 | 0 | 230 | 6,098 |
| Minnesota | 10,639 | 2,359 | 2,972 ‡ | 751 | 0 | 0 | 4,556 |
| Mississippi | 13,267 | 9,154 | 4,114 | 0 | 0 | 0 | 0 |
| Missouri | 30,098 | 25,372 | 4,705 † | 0 | 0 | 0 | 21 |
| Montana | 3,512 | 1,014 | 2,332 †,‡ | 25 | 0 | 141 | 0 |
| Nebraska | 5,185 | 3,682 | 1,500 † | 0 | 0 | 0 | 2 |
| Nevada | 6,257 | 3,696 | 2,271 | 0 | 290 ‡ | 0 | 0 |
| New Hampshire | 2,860 | 1,186 | 942 * | 0 | 469 ‡ | 0 | 263 *,† |
| New Jersey | 55,434 | 37,173 | 8,974 †,‡ | 596 †,‡ | 1,713 †,‡ | 0 | 6,978 †,‡ |
| New Mexico | 11,940 | 7,640 | 3,274 ‡ | 573 | 0 | 0 | 453 * |
| New York | 149,606 | 111,550 | 11,125 * | 3,004 | 0 | 0 | 23,926 |
| North Carolina | 56,101 | 26,582 | 6,768 *,†,‡ | 4,031 †,‡ | 1,000 †,‡ | 0 | 17,719 *,†,‡ |
| North Dakota | 2,136 | 956 | 831 † | 110 *,†,‡ | 0 | 0 | 238 *,†,‡ |
| Ohio | 32,207 | 21,036 | 7,110 † | 1,900 †,‡ | 583 * | 0 | 1,578 † |
| Oklahoma | 30,235 | 15,210 | 3,646 ‡ | 0 | nr | 0 | 11,378 ‡ |
| Oregon | 66,440 | 59,634 | 1,938 | 871 | 39 | 0 | 3,958 |
| Pennsylvania | 83,355 | 61,844 | 10,145 | 1,565 | 3,845 | 0 | 5,956 |
| Rhode Island | 3,778 | 2,559 | 1,025 † | 154 † | 0 | 0 | 40 † |
| South Carolina | 31,486 | 27,245 | 3,373 | 0 | 0 | 0 | 868 |
| South Dakota | 1,852 | 565 | 986 *,†,‡ | 302 *,†,‡ | 0 | 0 | 0 |
| Tennessee | 56,791 | 43,783 | 6,122 †,‡ | 3,070 †,‡ | 0 | 0 | 3,816 *,†,‡ |
| Texas | 87,207 | 40,811 | 14,951 *,† | 6,092 † | 24,989 † | 0 | 364 *,‡ |
| Utah | 4,486 | 2,910 | 1,114 | 462 †,‡ | 0 | 0 | 0 |
| Vermont | 3,590 | 3,039 | 286 ‡ | 0 | 0 | 72 ‡ | 194 ‡ |
| Virginia | 51,109 | 42,352 | 4,194 | 0 | 0 | 0 | 4,563 *,†,‡ |
| Washington | 94,284 | 79,626 | 4,498 † | 0 | 0 | 0 | 10,160 * |
| West Virginia | 10,420 | 5,289 | 1,841 ‡ | 1,795 ‡ | 0 | 0 | 1,495 ‡ |
| Wisconsin | 38,553 | 28,912 | 3,001 ‡ | 6,639 | 0 | 0 | 0 |
| Wyoming | 7,625 | 6,187 | 697 | 103 | 9 | 49 | 580 *,†,‡ |

* Includes sterilization services. † Includes outreach/education activities. ‡ Includes administrative expenses. *Notes:* nr=no response or not available. u=unknown.

**Table 3.3. Reported public expenditures for family planning client services (in 000s of dollars) and percentage distribution by funding source, according to state, FY 2006**

| State | Total | % from Medicaid | % from Title X | % from MCH block grant | % from SSBG and TANF | % from other federal sources | % from state appropriations |
|---|---|---|---|---|---|---|---|
| **U.S. total** | **$1,846,963** | **70.6** | **11.7** | **2.1** | **2.6** | **0.0** | **13.1** |
| Alabama | 32,084 | 71.4 | 15.9 | 0.0 | 1.7 | 0.0 | 11.0 |
| Alaska | 1,921 | 17.8 | 64.7 | 3.2 | 14.3 | 0.0 | nr |
| Arizona | 38,062 | 86.0 | 11.9 | 2.1 | 0.0 | 0.0 | 0.0 |
| Arkansas | 20,039 | 85.3 | 13.8 | 0.0 | 0.0 | 0.0 | 0.9 |
| California | 387,707 | 82.8 | 3.5 | 0.0 | 0.0 | 0.0 | 13.7 |
| Colorado | 9,224 | 51.8 | 35.3 | 0.0 | nr | 0.0 | 12.9 |
| Connecticut | 17,880 | 77.1 | 10.7 | 0.1 | 5.9 | 0.0 | 6.2 |
| Delaware | 4,991 | 72.0 | 24.5 | nr | 0.0 | nr | 3.5 |
| District of Columbia | 1,300 | 5.3 | 92.8 | 0.0 | 0.0 | 1.9 | nr |
| Florida | 64,296 | 32.1 | 18.3 | 0.0 | 0.0 | 0.0 | 49.6 |
| Georgia | 18,099 | 13.9 | 46.0 | 0.0 | 33.4 | 0.0 | 6.7 |
| Hawaii | 1,374 | 20.4 | 72.7 | 0.0 | 0.0 | 0.0 | 7.0 |
| Idaho | 7,592 | 24.2 | 20.5 | 7.7 | 0.0 | 0.0 | 47.6 |
| Illinois | 49,681 | 61.8 | 14.7 | 1.3 | 6.9 | 0.0 | 15.3 |
| Indiana | 9,808 | 23.3 | 45.7 | 11.7 | 19.3 | 0.0 | u |
| Iowa | 13,477 | 69.3 | 27.0 | 0.0 | 3.2 | 0.0 | 0.5 |
| Kansas | 14,512 | 51.8 | 15.3 | 0.0 | 0.0 | 0.0 | 32.9 |
| Kentucky | 66,846 | 79.2 | 7.9 | 1.5 | 0.0 | 0.0 | 11.4 |
| Louisiana | 20,378 | 57.5 | 16.7 | 1.5 | 1.2 | 0.0 | 23.1 |
| Maine | 7,927 | 64.6 | 19.8 | 0.7 | 10.2 | 1.9 | 2.7 |
| Maryland | 40,230 | 64.3 | 10.1 | 0.0 | 0.0 | 0.0 | 25.6 |
| Massachusetts | 30,296 | 72.4 | 12.6 | 0.1 | 0.0 | 0.0 | 14.9 |
| Michigan | 38,788 | 61.1 | 18.7 | 3.8 | 0.0 | 0.6 | 15.7 |
| Minnesota | 10,639 | 22.2 | 27.9 | 7.1 | 0.0 | 0.0 | 42.8 |
| Mississippi | 13,267 | 69.0 | 31.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Missouri | 30,098 | 84.3 | 15.6 | 0.0 | 0.0 | 0.0 | 0.1 |
| Montana | 3,512 | 28.9 | 66.4 | 0.7 | 0.0 | 4.0 | 0.0 |
| Nebraska | 5,185 | 71.0 | 28.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| Nevada | 6,257 | 59.1 | 36.3 | 0.0 | 4.6 | 0.0 | 0.0 |
| New Hampshire | 2,860 | 41.5 | 32.9 | 0.0 | 16.4 | 0.0 | 9.2 |
| New Jersey | 55,434 | 67.1 | 16.2 | 1.1 | 3.1 | 0.0 | 12.6 |
| New Mexico | 11,940 | 64.0 | 27.4 | 4.8 | 0.0 | 0.0 | 3.8 |
| New York | 149,606 | 74.6 | 7.4 | 2.0 | 0.0 | 0.0 | 16.0 |
| North Carolina | 56,101 | 47.4 | 12.1 | 7.2 | 1.8 | 0.0 | 31.6 |
| North Dakota | 2,136 | 44.8 | 38.9 | 5.2 | 0.0 | 0.0 | 11.1 |
| Ohio | 32,207 | 65.3 | 22.1 | 5.9 | 1.8 | 0.0 | 4.9 |
| Oklahoma | 30,235 | 50.3 | 12.1 | 0.0 | nr | 0.0 | 37.6 |
| Oregon | 66,440 | 89.8 | 2.9 | 1.3 | 0.1 | 0.0 | 6.0 |
| Pennsylvania | 83,355 | 74.2 | 12.2 | 1.9 | 4.6 | 0.0 | 7.1 |
| Rhode Island | 3,778 | 67.7 | 27.1 | 4.1 | 0.0 | 0.0 | 1.1 |
| South Carolina | 31,486 | 86.5 | 10.7 | 0.0 | 0.0 | 0.0 | 2.8 |
| South Dakota | 1,852 | 30.5 | 53.2 | 16.3 | 0.0 | 0.0 | 0.0 |
| Tennessee | 56,791 | 77.1 | 10.8 | 5.4 | 0.0 | 0.0 | 6.7 |
| Texas | 87,207 | 46.8 | 17.1 | 7.0 | 28.7 | 0.0 | 0.4 |
| Utah | 4,486 | 64.9 | 24.8 | 10.3 | 0.0 | 0.0 | 0.0 |
| Vermont | 3,590 | 84.6 | 8.0 | 0.0 | 0.0 | 2.0 | 5.4 |
| Virginia | 51,109 | 82.9 | 8.2 | 0.0 | 0.0 | 0.0 | 8.9 |
| Washington | 94,284 | 84.5 | 4.8 | 0.0 | 0.0 | 0.0 | 10.8 |
| West Virginia | 10,420 | 50.8 | 17.7 | 17.2 | 0.0 | 0.0 | 14.3 |
| Wisconsin | 38,553 | 75.0 | 7.8 | 17.2 | 0.0 | 0.0 | 0.0 |
| Wyoming | 7,625 | 81.1 | 9.1 | 1.3 | 0.1 | 0.6 | 7.6 |

*Notes:* nr=no response or not available. u=unknown.

**Table 3.4. Reported public expenditures for family planning client services (in 000s of actual dollars, not adjusted for inflation), according to state, FY 1980, FY 1987, FY 1994, FY 2001 and FY 2006**

| State | FY 1980 | FY 1987 | FY 1994 | FY 2001 | FY 2006 | % change FY 1994 to FY 2006 | % change FY 1980 to FY 2006 |
|---|---|---|---|---|---|---|---|
| **U.S. total** | **$349,793** | **$412,958** | **$711,116** | **$1,257,954** | **$1,846,963** | **159.7** | **428.0** |
| Alabama | 5,326 | 6,345 | 14,905 | 26,597 | 32,084 | 115.3 | 502.4 |
| Alaska | 319 | 1,199 | 675 | 4,228 | 1,921 | 184.6 | 502.3 |
| Arizona | 3,519 | 3,469 | 3,809 | 16,697 | 38,062 | 899.3 | 981.6 |
| Arkansas | 3,465 | 3,431 | 4,698 | 16,321 | 20,039 | 326.5 | 478.3 |
| California | 62,972 | 53,953 | 87,540 | 322,367 | 387,707 | 342.9 | 515.7 |
| Colorado | 3,414 | 2,941 | 4,769 | 8,771 | 9,224 | 93.4 | 170.2 |
| Connecticut | 3,848 | 4,500 | 9,325 | 16,967 | 17,880 | 91.7 | 364.6 |
| Delaware | 1,073 | 1,493 | 2,199 | 4,119 | 4,991 | 127.0 | 365.1 |
| District of Columbia | 1,453 | 1,977 | 1,485 | 1,279 | 1,300 | -12.5 | -10.5 |
| Florida | 14,194 | 5,430 | 44,467 | 46,113 | 64,296 | 44.6 | 353.0 |
| Georgia | 13,698 | 8,619 | 16,664 | 41,533 | 18,099 | 8.6 | 32.1 |
| Hawaii | 2,949 | 2,123 | 2,215 | 1,339 | 1,374 | -38.0 | -53.4 |
| Idaho | 922 | 1,714 | 1,505 | 3,102 | 7,592 | 404.4 | 723.4 |
| Illinois | 11,842 | 21,019 | 19,199 | 26,544 | 49,681 | 158.8 | 319.5 |
| Indiana | 7,399 | 4,535 | 6,326 | 23,735 | 9,808 | 55.0 | 32.6 |
| Iowa | 3,161 | 5,079 | 5,320 | 6,934 | 13,477 | 153.3 | 326.4 |
| Kansas | 2,105 | 2,106 | 3,573 | 3,123 | 14,512 | 306.2 | 589.4 |
| Kentucky | 5,353 | 5,915 | 12,222 | 13,030 | 66,846 | 446.9 | 1,148.8 |
| Louisiana | 7,152 | 10,508 | 3,229 | 20,689 | 20,378 | 531.1 | 184.9 |
| Maine | 2,102 | 3,078 | 5,764 | 6,971 | 7,927 | 37.5 | 277.1 |
| Maryland | 4,887 | 10,440 | 15,521 | 21,082 | 40,230 | 159.2 | 723.2 |
| Massachusetts | 6,739 | 4,493 | 14,427 | 29,579 | 30,296 | 110.0 | 349.6 |
| Michigan | 11,117 | 14,410 | 23,373 | 27,692 | 38,788 | 66.0 | 248.9 |
| Minnesota | 4,857 | 5,896 | 11,270 | 11,429 | 10,639 | -5.6 | 119.0 |
| Mississippi | 5,490 | 6,614 | 9,334 | 10,375 | 13,267 | 42.1 | 141.7 |
| Missouri | 5,843 | 6,591 | 17,329 | 30,876 | 30,098 | 73.7 | 415.1 |
| Montana | 1,575 | 1,388 | 2,369 | 2,829 | 3,512 | 48.2 | 123.0 |
| Nebraska | 1,335 | 1,634 | 2,297 | 3,073 | 5,185 | 125.7 | 288.4 |
| Nevada | 879 | 1,204 | 4,548 | 4,818 | 6,257 | 37.6 | 611.9 |
| New Hampshire | 1,043 | 1,436 | 4,424 | 2,826 | 2,860 | -35.4 | 174.2 |
| New Jersey | 12,219 | 11,436 | 14,506 | 26,726 | 55,434 | 282.1 | 353.7 |
| New Mexico | 2,487 | 2,132 | 5,266 | 6,670 | 11,940 | 126.7 | 380.1 |
| New York | 29,717 | 51,168 | 100,095 | 96,072 | 149,606 | 49.5 | 403.4 |
| North Carolina | 6,710 | 11,121 | 21,059 | 27,234 | 56,101 | 166.4 | 736.1 |
| North Dakota | 740 | 759 | 1,508 | 1,580 | 2,136 | 41.6 | 188.6 |
| Ohio | 12,371 | 11,601 | 22,090 | 23,062 | 32,207 | 45.8 | 160.3 |
| Oklahoma | 4,163 | 9,357 | 7,671 | 24,083 | 30,235 | 294.1 | 626.3 |
| Oregon | 2,144 | 3,851 | 8,185 | 22,985 | 66,440 | 711.7 | 2,998.9 |
| Pennsylvania | 15,622 | 19,226 | 24,907 | 50,734 | 83,355 | 234.7 | 433.6 |
| Rhode Island | 608 | 899 | 737 | 2,676 | 3,778 | 412.6 | 521.3 |
| South Carolina | 6,353 | 8,273 | 14,433 | 43,717 | 31,486 | 118.2 | 395.6 |
| South Dakota | 517 | 801 | 781 | 1,724 | 1,852 | 137.2 | 258.3 |
| Tennessee | 9,143 | 8,810 | 9,591 | 31,767 | 56,791 | 492.1 | 521.1 |
| Texas | 25,415 | 33,302 | 64,138 | 65,656 | 87,207 | 36.0 | 243.1 |
| Utah | 789 | 1,267 | 3,215 | 3,923 | 4,486 | 39.5 | 468.6 |
| Vermont | 1,053 | 1,352 | 3,095 | 4,093 | 3,590 | 16.0 | 240.9 |
| Virginia | 7,646 | 8,246 | 25,921 | 30,474 | 51,109 | 97.2 | 568.4 |
| Washington | 4,428 | 8,132 | 11,413 | 17,229 | 94,284 | 726.1 | 2,029.3 |
| West Virginia | 1,611 | 3,053 | 5,325 | 6,611 | 10,420 | 95.7 | 546.8 |
| Wisconsin | 5,470 | 14,078 | 10,906 | 14,518 | 38,553 | 253.5 | 604.8 |
| Wyoming | 556 | 554 | 1,493 | 1,380 | 7,625 | 410.7 | 1,271.5 |

**Table 3.5. Reported public expenditures for family planning client services (in 000s of constant 2006 dollars), according to state, FY 1980, FY 1987, FY 1994, FY 2001 and FY 2006**

| State | FY 1980 | FY 1987 | FY 1994 | FY 2001 | FY 2006 | % change FY 1994 to FY 2006 | % change FY 1980 to FY 2006 |
|---|---|---|---|---|---|---|---|
| **U.S. total** | **$1,570,099** | **$1,067,152** | **$1,133,067** | **$1,550,308** | **$1,846,963** | **63.0** | **17.6** |
| Alabama | 23,907 | 16,397 | 23,749 | 32,778 | 32,084 | 35.1 | 34.2 |
| Alaska | 1,432 | 3,098 | 1,076 | 5,211 | 1,921 | 78.6 | 34.2 |
| Arizona | 15,796 | 8,964 | 6,069 | 20,578 | 38,062 | 527.1 | 141.0 |
| Arkansas | 15,553 | 8,866 | 7,486 | 20,114 | 20,039 | 167.7 | 28.8 |
| California | 282,659 | 139,424 | 139,483 | 397,286 | 387,707 | 178.0 | 37.2 |
| Colorado | 15,324 | 7,600 | 7,599 | 10,809 | 9,224 | 21.4 | -39.8 |
| Connecticut | 17,272 | 11,629 | 14,858 | 20,911 | 17,880 | 20.3 | 3.5 |
| Delaware | 4,816 | 3,858 | 3,504 | 5,076 | 4,991 | 42.4 | 3.6 |
| District of Columbia | 6,522 | 5,109 | 2,366 | 1,577 | 1,300 | -45.1 | -80.1 |
| Florida | 63,712 | 14,032 | 70,852 | 56,830 | 64,296 | -9.3 | 0.9 |
| Georgia | 61,486 | 22,273 | 26,552 | 51,185 | 18,099 | -31.8 | -70.6 |
| Hawaii | 13,237 | 5,486 | 3,529 | 1,651 | 1,374 | -61.1 | -89.6 |
| Idaho | 4,139 | 4,429 | 2,398 | 3,822 | 7,592 | 216.6 | 83.4 |
| Illinois | 53,155 | 54,317 | 30,591 | 32,713 | 49,681 | 62.4 | -6.5 |
| Indiana | 33,212 | 11,719 | 10,080 | 29,251 | 9,808 | -2.7 | -70.5 |
| Iowa | 14,189 | 13,125 | 8,477 | 8,546 | 13,477 | 59.0 | -5.0 |
| Kansas | 9,449 | 5,442 | 5,693 | 3,849 | 14,512 | 154.9 | 53.6 |
| Kentucky | 24,028 | 15,285 | 19,474 | 16,058 | 66,846 | 243.3 | 178.2 |
| Louisiana | 32,103 | 27,154 | 5,145 | 25,497 | 20,378 | 296.1 | -36.5 |
| Maine | 9,435 | 7,954 | 9,184 | 8,591 | 7,927 | -13.7 | -16.0 |
| Maryland | 21,936 | 26,979 | 24,731 | 25,981 | 40,230 | 62.7 | 83.4 |
| Massachusetts | 30,249 | 11,611 | 22,987 | 36,453 | 30,296 | 31.8 | 0.2 |
| Michigan | 49,900 | 37,238 | 37,242 | 34,128 | 38,788 | 4.2 | -22.3 |
| Minnesota | 21,801 | 15,236 | 17,957 | 14,085 | 10,639 | -40.8 | -51.2 |
| Mississippi | 24,643 | 17,092 | 14,872 | 12,786 | 13,267 | -10.8 | -46.2 |
| Missouri | 26,227 | 17,032 | 27,611 | 38,052 | 30,098 | 9.0 | 14.8 |
| Montana | 7,070 | 3,587 | 3,775 | 3,486 | 3,512 | -7.0 | -50.3 |
| Nebraska | 5,992 | 4,223 | 3,660 | 3,788 | 5,185 | 41.7 | -13.5 |
| Nevada | 3,946 | 3,111 | 7,247 | 5,938 | 6,257 | -13.7 | 58.6 |
| New Hampshire | 4,682 | 3,711 | 7,049 | 3,483 | 2,860 | -59.4 | -38.9 |
| New Jersey | 54,847 | 29,553 | 23,113 | 32,938 | 55,434 | 139.8 | 1.1 |
| New Mexico | 11,163 | 5,509 | 8,391 | 8,220 | 11,940 | 42.3 | 7.0 |
| New York | 133,389 | 132,227 | 159,488 | 118,400 | 149,606 | -6.2 | 12.2 |
| North Carolina | 30,119 | 28,739 | 33,555 | 33,563 | 56,101 | 67.2 | 86.3 |
| North Dakota | 3,322 | 1,961 | 2,403 | 1,947 | 2,136 | -11.1 | -35.7 |
| Ohio | 55,529 | 29,979 | 35,197 | 28,422 | 32,207 | -8.5 | -42.0 |
| Oklahoma | 18,686 | 24,180 | 12,223 | 29,680 | 30,235 | 147.4 | 61.8 |
| Oregon | 9,624 | 9,952 | 13,042 | 28,326 | 66,440 | 409.4 | 590.4 |
| Pennsylvania | 70,122 | 49,683 | 39,686 | 62,525 | 83,355 | 110.0 | 18.9 |
| Rhode Island | 2,729 | 2,323 | 1,174 | 3,298 | 3,778 | 221.7 | 38.4 |
| South Carolina | 28,516 | 21,379 | 22,997 | 53,878 | 31,486 | 36.9 | 10.4 |
| South Dakota | 2,321 | 2,070 | 1,244 | 2,125 | 1,852 | 48.8 | -20.2 |
| Tennessee | 41,040 | 22,767 | 15,282 | 39,150 | 56,791 | 271.6 | 38.4 |
| Texas | 114,079 | 86,058 | 102,195 | 80,914 | 87,207 | -14.7 | -23.6 |
| Utah | 3,542 | 3,274 | 5,123 | 4,834 | 4,486 | -12.4 | 26.7 |
| Vermont | 4,727 | 3,494 | 4,931 | 5,045 | 3,590 | -27.2 | -24.0 |
| Virginia | 34,320 | 21,309 | 41,302 | 37,557 | 51,109 | 23.7 | 48.9 |
| Washington | 19,876 | 21,014 | 18,185 | 21,233 | 94,284 | 418.5 | 374.4 |
| West Virginia | 7,231 | 7,889 | 8,485 | 8,148 | 10,420 | 22.8 | 44.1 |
| Wisconsin | 24,553 | 36,380 | 17,377 | 17,892 | 38,553 | 121.9 | 57.0 |
| Wyoming | 2,496 | 1,432 | 2,379 | 1,701 | 7,625 | 220.5 | 205.5 |

*Notes:* Inflation-adjusted data are reported in constant 2006 dollars using the Medical Care Consumer Price Index–All Urban Consumers, with $1.00 in 2006 equal to $4.49 in 1980.

**Table 3.6. Reported Medicaid expenditures and total public expenditures for family planning client services (both in 000s of constant 2006 dollars), by Medicaid family planning expansion status, FY 1994, FY 2001 and FY 2006**

| Measure | National total | Six states with expansion for FY 2001 | Eight states with new expansion for FY 2006 | All other states |
|---|---|---|---|---|
| **Medicaid expenditures** | | | | |
| FY 1994 | $529,483 | $78,674 | $172,839 | $277,970 |
| FY 2001 | $948,492 | $416,974 | $141,741 | $389,777 |
| FY 2006 | $1,304,006 | $455,420 | $304,076 | $544,511 |
| % change FY 1994 to FY 2006 | 146.3 | 478.9 | 75.9 | 95.9 |
| % change FY 1994 to FY 2001 | 79.1 | 430.0 | -18.0 | 40.2 |
| % change FY 2001 to FY 2006 | 37.5 | 9.2 | 114.5 | 39.7 |
| **Total expenditures** | | | | |
| FY 1994 | $1,133,067 | $215,147 | $301,418 | $616,502 |
| FY 2001 | $1,550,308 | $540,601 | $276,228 | $733,478 |
| FY 2006 | $1,846,963 | $549,696 | $434,310 | $862,957 |
| % change FY 1994 to FY 2006 | 63.0 | 155.5 | 44.1 | 40.0 |
| % change FY 1994 to FY 2001 | 36.8 | 151.3 | -8.4 | 19.0 |
| % change FY 2001 to FY 2006 | 19.1 | 1.7 | 57.2 | 17.7 |

*Notes:* Six states with expansion for FY 2001 refers to the six states that initiated income-based Medicaid family planning eligibility expansions by the middle of FY 2001: Alabama, Arkansas, California, New Mexico, Oregon and South Carolina. Eight states with new expansion for FY 2006 refers to the eight additional states that initiated income-based expansions by the middle of FY 2006: Iowa, Michigan, Mississippi, New York, North Carolina, Oklahoma, Washington and Wisconsin. All other states includes the District of Columbia. Inflation-adjusted data are reported in constant 2006 dollars using the Medical Care Consumer Price Index–All Urban Consumers, with $1.00 in 2006 equal to $4.49 in 1980.

**Table 3.7. Reported public expenditures for family planning outreach and education activities (in 000s of dollars), by funding source, according to state, FY 2006**

| State | Outreach and education activities | | | | |
|---|---|---|---|---|---|
| | Total | Title X | SSBG and TANF | State appropriations | Other |
| **U.S. total** | **$43,367** | **$12,957** | **$18,339** | **$10,317** | **$1,754** |
| Alabama | 66 | 0 | 66 | u | 0 |
| Alaska | 50 | 30 | 0 | 0 | 20 |
| Arizona | u | u | 0 | 0 | 0 |
| Arkansas | 188 | 188 | 0 | 0 | 0 |
| California | 5,522 | 5,022 | 500 | 0 | 0 |
| Colorado | nr | 0 | nr | 0 | 0 |
| Connecticut | 86 | 67 | 0 | 18 | 0 |
| Delaware | 1 | 1 | 0 | 0 | nr |
| District of Columbia | 1 | u | 0 | 0 | 1 |
| Florida | 315 | 315 | u | u | 0 |
| Georgia | u | u | u | u | 0 |
| Hawaii | 4,339 | 246 | 4,093 | 0 | 0 |
| Idaho | 305 | u | 305 * | u | 0 |
| Illinois | 1 | 1 | u | u | u |
| Indiana | 107 | 107 | 0 | 0 | u |
| Iowa | u | u | u | u | 0 |
| Kansas | 45 | u | 0 | u | 45 |
| Kentucky | u | u | 0 | u | u |
| Louisiana | 6,815 | 1,152 | 3,909 | 1,594 | 159 |
| Maine | 782 | 130 | u | 402 | 250 |
| Maryland | u | u | 0 | u | u |
| Massachusetts | 427 | 191 | 0 | 235 | 0 |
| Michigan | 207 | 0 | 0 | 0 | 207 |
| Minnesota | 176 | 27 | 0 | 0 | 150 |
| Mississippi | 349 | 344 | 0 | 0 | 5 |
| Missouri | u | u | 0 | 0 | 0 |
| Montana | u | u | 0 | 0 | 0 |
| Nebraska | 150 | u | 0 | 0 | 150 |
| Nevada | 152 | 105 | 47 | 0 | 0 |
| New Hampshire | 300 | 0 | 300 | u | 0 |
| New Jersey | u | u | u | u | u |
| New Mexico | 158 | 94 | 0 | 64 | 0 |
| New York | 9,729 | 2,001 | 2,100 | 5,000 | 628 |
| North Carolina | u | u | u | u | u |
| North Dakota | u | u | 0 | u | u |
| Ohio | 4,244 | 180 | 4,064 | u | u |
| Oklahoma | 3,166 | 835 | nr | 2,330 | 0 |
| Oregon | 185 | 185 | 0 | 0 | 0 |
| Pennsylvania | 687 | 637 | 0 | 0 | 50 |
| Rhode Island | u | u | 0 | u | u |
| South Carolina | 2,561 | 77 | 2,482 | 3 | 0 |
| South Dakota | u | u | 0 | 0 | u |
| Tennessee | u | u | 0 | u | u |
| Texas | u | u | u | 0 | u |
| Utah | 373 | 124 | 249 | 0 | u |
| Vermont | 806 | 502 | 197 | 107 | 0 |
| Virginia | u | 0 | 0 | u | 0 |
| Washington | 590 | 55 | 0 | 535 | 0 |
| West Virginia | 74 | 36 | 0 | 29 | 9 |
| Wisconsin | 339 | 259 | 0 | 0 | 80 |
| Wyoming | 74 | 47 | 27 | u | 0 |

* Includes administrative expenses. *Notes:* nr=no response or not available. u=unknown.

**Table 3.8. Reported public expenditures for sterilization services (in 000s of dollars), by funding source, according to state, FY 2006**

| State | Sterilization services | | |
|---|---|---|---|
| | Total | Medicaid | Other |
| **U.S. total** | **$115,811** | **$112,641** | **$3,170** |
| Alabama | 2,334 | 2,334 | u |
| Alaska | 1,881 | 1,881 | u |
| Arizona | 152 | 20 | 132 |
| Arkansas | 4,636 | 4,616 | 20 |
| California | u | 0 | u |
| Colorado | 3,316 | 3,245 | 71 |
| Connecticut | 316 | 314 | 2 |
| Delaware | 97 | 97 | nr |
| District of Columbia | u | 0 | u |
| Florida | 25 | 0 | 25 |
| Georgia | u | 0 | u |
| Hawaii | 231 | 231 | nr |
| Idaho | 614 | 614 | u |
| Illinois | 9,083 | 9,035 | 48 |
| Indiana | 1,457 | 1,457 | u |
| Iowa | 6,530 | 6,530 | u |
| Kansas | 1,275 | 1,275 | 0 |
| Kentucky | 8,972 | 8,927 | 45 |
| Louisiana | 2,295 | 2,295 | 0 |
| Maine | 0 | 0 | 0 |
| Maryland | 1,037 | 984 | 53 |
| Massachusetts | 1,117 | 1,117 | u |
| Michigan | 1,099 | 827 | 271 |
| Minnesota | 262 | 241 | 22 |
| Mississippi | 6 | 0 | 6 |
| Missouri | 6,977 | 6,977 | 0 |
| Montana | 994 | 988 | 6 |
| Nebraska | 1,046 | 1,046 | 0 |
| Nevada | 66 | 40 | 27 |
| New Hampshire | 1,393 | 1,393 | u |
| New Jersey | 808 | 781 | 27 |
| New Mexico | 495 | 207 | 289 |
| New York | 6,685 | 6,685 | u |
| North Carolina | 11,464 | 11,464 | u |
| North Dakota | u | 0 | u |
| Ohio | 391 | 385 | 6 |
| Oklahoma | 4,543 | 4,529 | 15 |
| Oregon | 30 | 0 | 30 |
| Pennsylvania | 7,733 | 7,733 | 0 |
| Rhode Island | 6 | 0 | 6 |
| South Carolina | 4,415 | 4,287 | 129 |
| South Dakota | 633 | 633 | u |
| Tennessee | 150 | 0 | 150 |
| Texas | 10,289 | 9,115 | 1,174 |
| Utah | 3,564 | 3,564 | 0 |
| Vermont | 0 | 0 | nr |
| Virginia | 1,812 | 1,812 | u |
| Washington | 2,359 | 1,825 | 534 |
| West Virginia | 89 | 5 | 84 |
| Wisconsin | 795 | 795 | 0 |
| Wyoming | 2,336 | 2,336 | u |

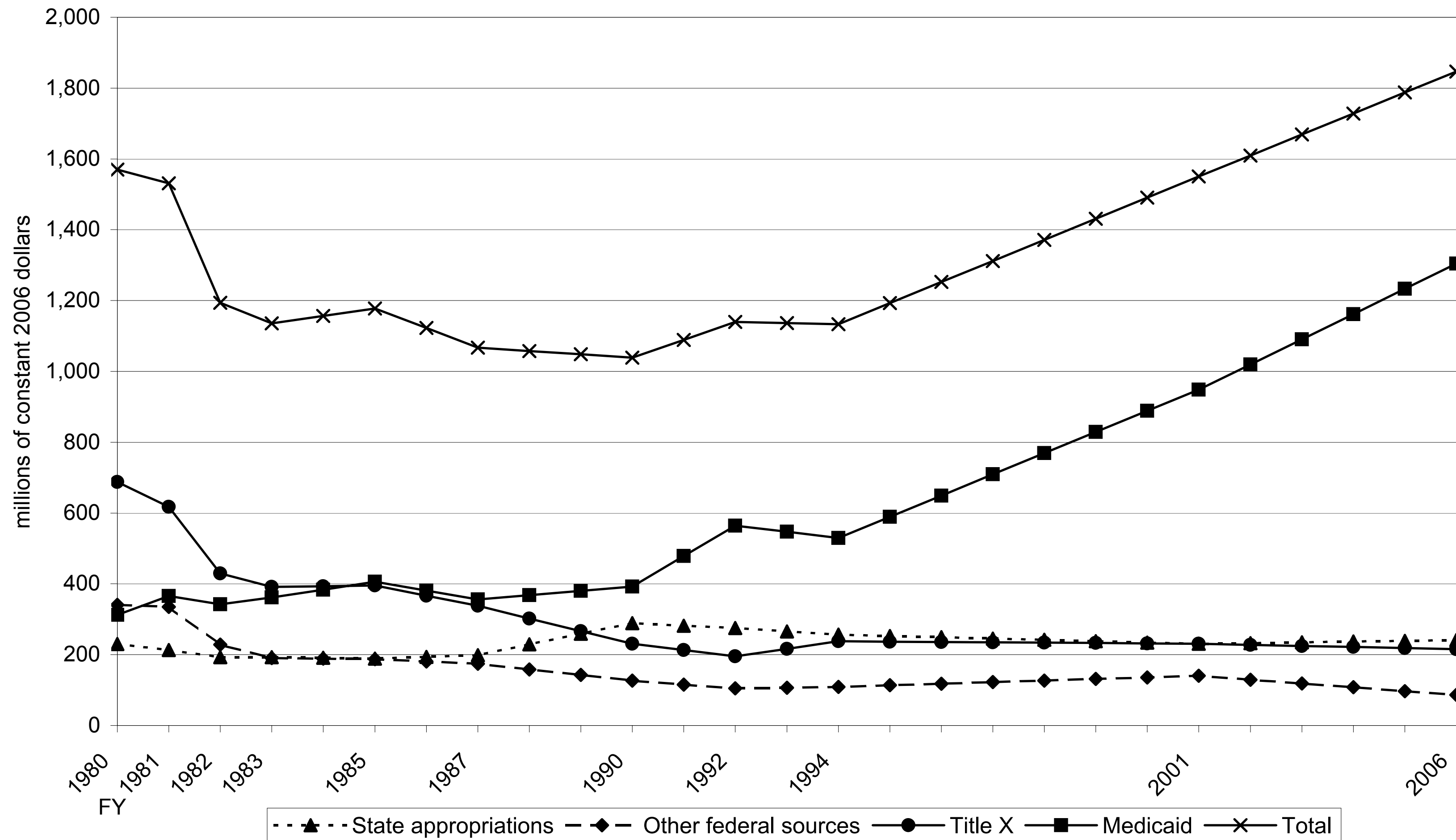
*Notes:* nr=no response or not available. u=unknown.

**Table 3.9. Reported public expenditures for abortions (in 000s of dollars) and number of publicly funded abortions, by funding source, according to state and state funding policy, FY 2006**

| State | Expenditures | | | No. of abortions | | |
|---|---|---|---|---|---|---|
| | Total | Federal | State | Total | Federal | State |
| **U.S. total** | **$88,975** | **$183** | **$88,791** | **177,404** | **191** | **177,213** |
| NONRESTRICTIVE POLICY | | | | | | |
| **Voluntary policy** | **26,855** | **0** | **26,855** | **53,381** | **0** | **53,381** |
| Hawaii | 114 | 0 | 114 * | 412 | 0 | 412 * |
| Maryland | 1,600 | 0 | 1,600 | 2,635 | 0 | 2,635 |
| New York | 16,613 | 0 | 16,613 | 34,824 | 0 | 34,824 |
| Washington | 8,528 | 0 | 8,528 | 15,510 | 0 | 15,510 |
| **Court ordered policy** | **61,663** | **34** | **61,629** | **123,272** | **106** | **123,166** |
| Alaska | 2 | 2 | nr | 1 | 1 | nr |
| Arizona | 14 | 0 | 14 | 7 | 0 | 7 |
| California | 44,766 | 0 | 44,766 | 94,602 | 0 | 94,602 |
| Connecticut | 1,573 | 0 | 1,573 | 4,723 | 0 | 4,723 |
| Illinois | 23 | 18 | 5 | 114 | 89 | 25 |
| Massachusetts | 4,500 | 0 | 4,500 | 4,800 | 0 | 4,800 |
| Minnesota | 1,438 | 14 | 1,424 | 3,417 | 16 | 3,401 |
| Montana | 64 | 0 | 64 | u | 0 | u |
| New Jersey | 6,889 | 0 | 6,889 | 9,918 | 0 | 9,918 |
| New Mexico | 422 | 0 | 422 | 1,638 | 0 | 1,638 |
| Oregon | 1,698 | 0 | 1,698 | 4,052 | 0 | 4,052 |
| Vermont | nr | 0 | nr | nr | 0 | nr |
| West Virginia | 274 | 0 | 274 | u | 0 | u |
| RESTRICTIVE POLICY | | | | | | |
| **Life, rape, incest** | **130** | **130** | **0** | **54** | **54** | **0** |
| Alabama | 0 | 0 | 0 | 2 | 2 | 0 |
| Arkansas | 0 | 0 | 0 | 0 | 0 | 0 |
| Colorado | 0 | 0 | 0 | 0 | 0 | 0 |
| Delaware | nr | 0 | nr | 2 | 2 | nr |
| Dist. of Columbia | nr | 0 | nr | nr | 0 | nr |
| Florida | 0 | 0 | 0 | 0 | 0 | 0 |
| Georgia | 67 | 67 | nr | 7 | 7 | nr |
| Idaho | 0 | 0 | 0 | 0 | 0 | 0 |
| Kansas | 0 | 0 | 0 | 0 | 0 | 0 |
| Kentucky | 0 | 0 | 0 | 0 | 0 | 0 |
| Louisiana | 0 | 0 | 0 | 0 | 0 | 0 |
| Maine | 0 | 0 | 0 | 3 | 3 | 0 |
| Michigan | 0 | 0 | 0 | 0 | 0 | 0 |
| Missouri | 0 | 0 | 0 | 0 | 0 | 0 |
| Nebraska | 0 | 0 | 0 | 0 | 0 | 0 |
| Nevada | 0 | 0 | 0 | 0 | 0 | 0 |
| New Hampshire | 1 | 1 | 0 | 1 | 1 | 0 |
| North Carolina | 16 | 16 | nr | 3 | 3 | nr |
| North Dakota | 0 | 0 | 0 | 0 | 0 | 0 |
| Ohio | 20 | 20 | 0 | 20 | 20 | 0 |
| Oklahoma | 0 | 0 | 0 | 0 | 0 | 0 |
| Pennsylvania | 0 | 0 | 0 | 0 | 0 | 0 |
| Rhode Island | u | 0 | u | u | 0 | u |
| South Carolina | 17 | 17 | 0 | 12 | 12 | 0 |
| Tennessee | 0 | 0 | 0 | 0 | 0 | 0 |
| Texas | 7 | 7 | 0 | 4 | 4 | 0 |
| Wyoming | 0 | 0 | 0 | 0 | 0 | 0 |
| **Life only** | **0** | **0** | **0** | **0** | **0** | **0** |
| South Dakota | 0 | 0 | 0 | 0 | 0 | 0 |
| **Broader than life, rape, incest** | **327** | **20** | **308** | **697** | **31** | **666** |
| Indiana | 0 | 0 | 0 | 0 | 0 | 0 |
| Iowa | 71 | 13 | 58 | 44 | 4 | 40 |
| Mississippi | 0 | 0 | 0 | 0 | 0 | 0 |
| Utah | 0 | 0 | 0 | 0 | 0 | 0 |
| Virginia | 247 | 7 | 241 | 648 | 27 | 621 |
| Wisconsin | 9 | 0 | 9 | 5 | 0 | 5 |

*Only includes data for clients enrolled in Medicaid managed care plans; data for fee-for-service clients are unknown.*Notes:* State policies are as of the middle of FY 2006 (April 1, 2006). States with nonrestrictive policies use their own funds to pay for most or all medically necessarily abortions provided to Medicaid recipients; the policy may have been adopted either voluntarily or because of a court order. States with restrictive policies pay for abortions only in a few circumstances: when necessary to save the life of the woman or when the pregnancy is the result of rape or incest (which is federal policy); only to save the life of the woman (a violation of federal policy); or “broader than life, rape, incest,” which means that states use their own funds to pay for abortions under additional rare circumstances, such as in cases of fetal abnormality. nr=no response or not available. u=unknown.

**Figure 3.1. Reported U.S. public expenditures for family planning client services (in millions of constant 2006 dollars), by funding source, FY 1980–2006**




*Note:* Inflation-adjusted data are reported in constant 2006 dollars using the Medical Care Consumer Price Index–All Urban Consumers, with $1.00 in 2006 equal to $4.49 in 1980. Data available only for years labeled on the axis. Other federal sources include the MCH, social services and TANF block grants.

**Figure 3.2. Percentage distribution of reported public expenditures for family planning client services, by funding source, FY 1980, FY 1987, FY 1994, FY 2001 and FY 2006**

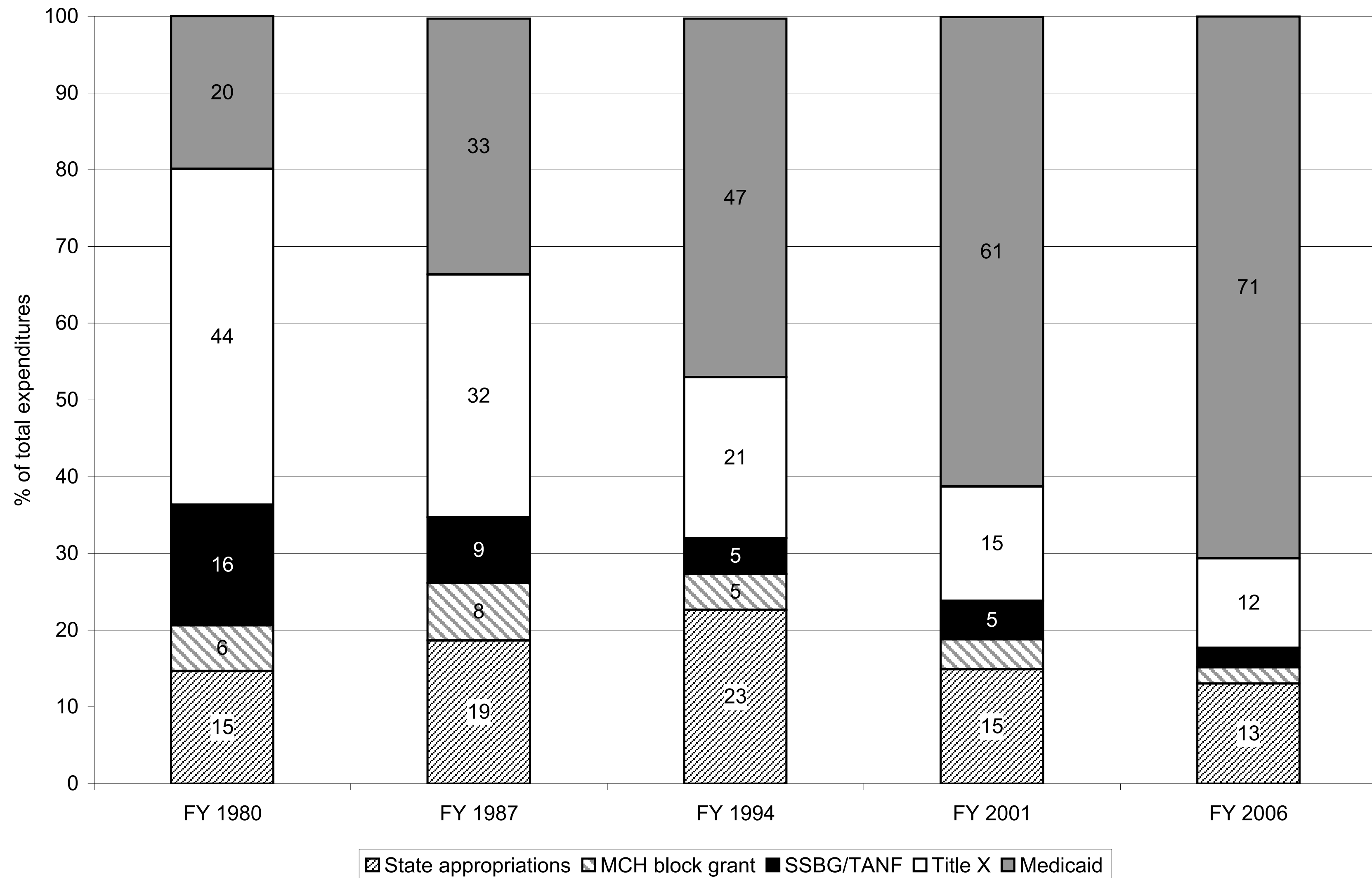
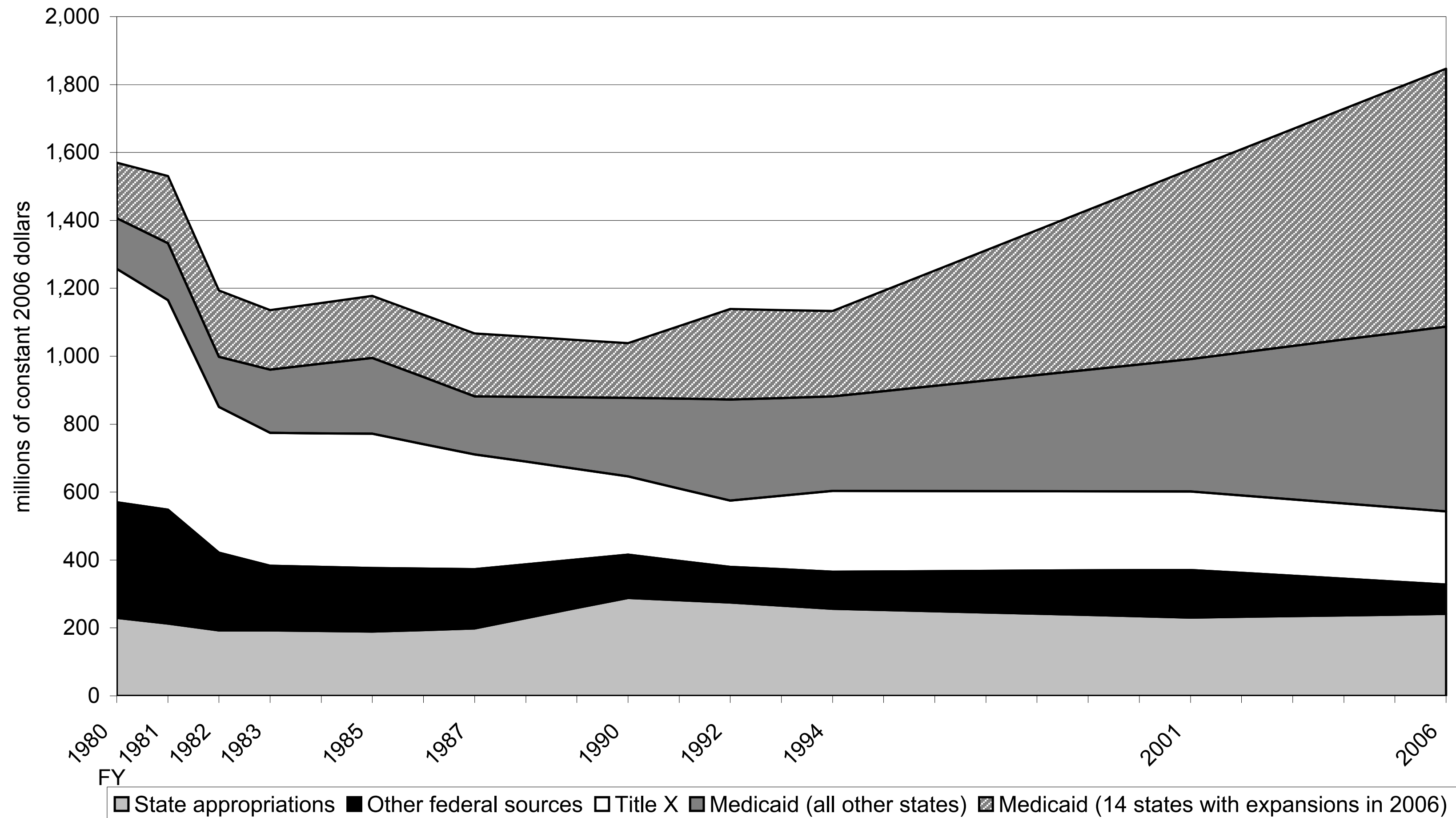
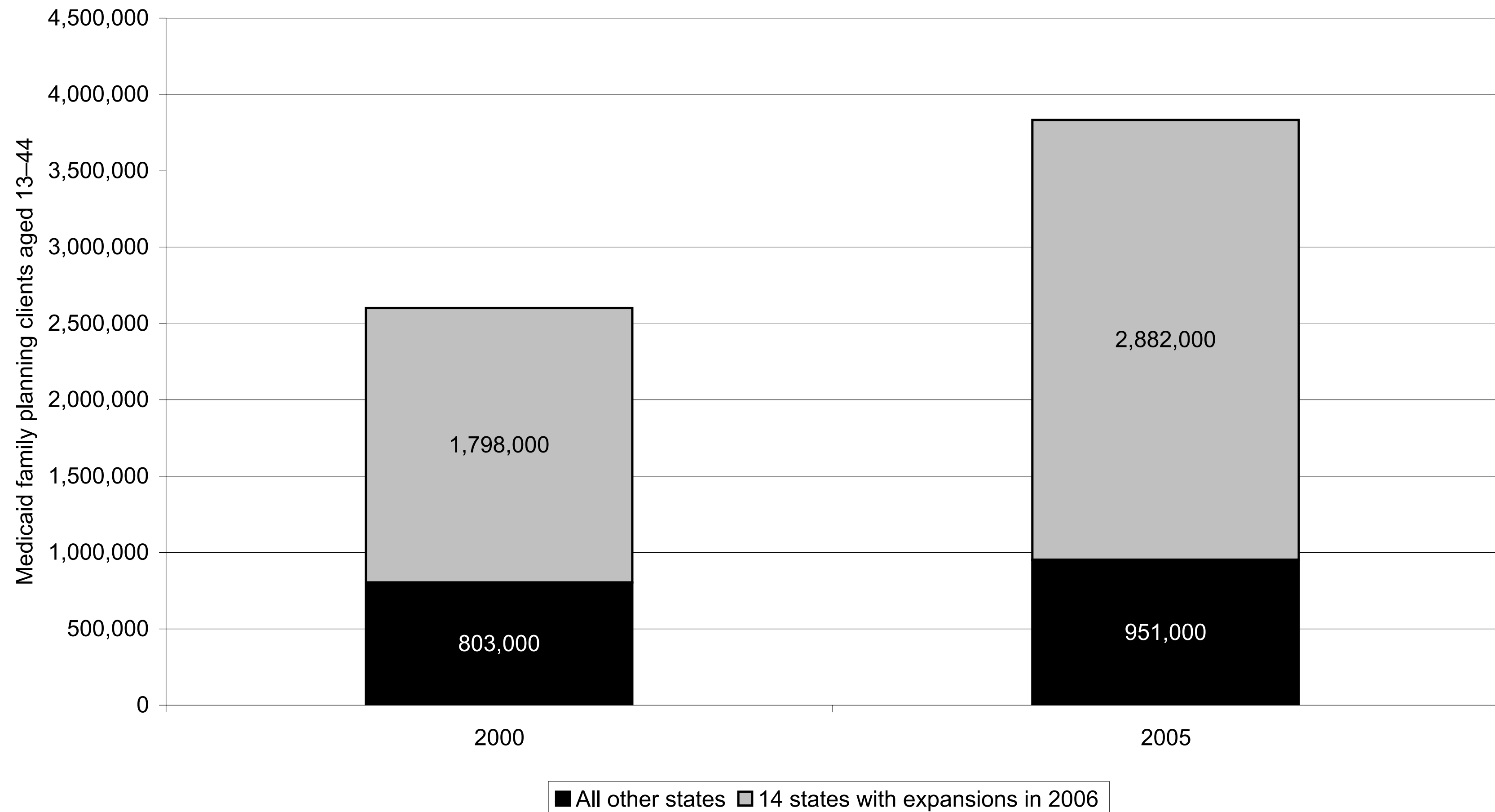


**Figure 3.3. Reported U.S. public expenditures for family planning client services (in millions of constant 2006 dollars), by funding source and Medicaid family planning expansions status, FY 1980–2006**




*Note:* Inflation-adjusted data are reported in constant 2006 dollars using the Medical Care Consumer Price Index–All Urban Consumers, with $1.00 in 2006 equal to $4.49 in 1980. Data available only for years labeled on the axis. Other federal sources include the MCH, social services and TANF block grants. The 14 states with expansions in 2006 were Alabama, Arkansas, California, Iowa, Michigan, Mississippi, New Mexico, New York, North Carolina, Oklahoma, Oregon, South Carolina, Washington and Wisconsin.

**Figure 3.4. Reported Medicaid family planning clients aged 13–44, by Medicaid family planning expansion status, 2000 and 2005**




*Note:* Data exclude clients in capitated managed care plans, and "all other states" excludes five states and the District of Columbia for which data were missing or incomplete.

## Chapter 4

# Discussion

Public funding for family planning client services in FY 2006 continued a 12-year trend of increased expenditures. At $1.85 billion, FY 2006 spending surpassed inflation-adjusted FY 1980 levels, finally recovering from deep cuts during the early 1980s. However, this national rate of growth masks more disparate trends at the state level. Spending decreases or stagnation among one-third the states in the country since FY 1994 indicate that services are not being universally expanded and many women in need in these states may not be receiving services. While some states may be falling behind, others have committed themselves to expanding services, and it is their effort that has increased overall U.S. expenditures.

Medicaid expenditures account for all of the inflation-adjusted growth in spending for family planning client services over the past dozen years. Once a small portion of total expenditures, Medicaid has steadily grown both as a percentage of total funding and in inflation-adjusted dollars. This growth in family planning expenditures via Medicaid parallels growth in spending throughout the entire $300 billion program. Accounting for inflation, spending through Medicaid has increased by 32% over the past decade and the program today is the nation's single largest payer of medical services.[23] The $1.3 billion spent on family planning client services under Medicaid in FY 2006 accounts for less than one-half of one percent of the program's total spending.

Beyond the overall trends for the Medicaid program, expenditures for family planning client services have risen in large part because of the efforts of individual states to expand Medicaid coverage of family planning services to individuals with incomes well above the cut-off for Medicaid eligibility overall. Even accounting for inflation, Medicaid spending tripled over a dozen years in the 14 states with income-based Medicaid family planning waivers in place by mid-2006. That increase was far faster than in states without waivers and accounted for two-thirds of the national growth in spending since FY 1994. As of November 2007, six additional states have received federal approval for similar expansions,[6] and federal legislation has been proposed to make it easier for every state to follow this path, by allowing them to implement an expansion without the time-consuming process of obtaining a federal waiver.[24]

Part of the increase in Medicaid spending is the direct result of an increase in family planning clients served. Even in states without family planning expansions, the number of Medicaid family planning clients served increased by 18% over the first half of this decade. And in the 14 states with expansions, that number of clients served increased by 60%. An earlier Guttmacher Institute study found that between 1994 and 2001, family planning clinics in states with income-based waivers increased by one-quarter both the number of clients served and the proportion served of women in need of subsidized services, while clinics in states without waivers experienced no increases at all.[25]

The other major reason for the increase in family planning spending—both in states with and without expansion programs—is that the cost of providing family planning services has grown substantially in recent years. Central to this trend, which impacts Medicaid and publicly subsidized services more broadly, is that clients are demanding more effective and more expensive new contraceptive methods and that the price of methods has spiked in recent years. Although comprehensive data on the prices clinics pay are not available, largely because of confidentiality agreements, anecdotal reports and small-scale studies on the subject suggest that a real problem has developed over the past decade. According to data from the Oregon statewide family planning program, the patch and the ring—both introduced this decade—each cost $15 per month in 2007; in contrast, some brands of oral contraceptives cost $3.20 per month that year.[26] And even the cost of oral contraceptives has increased, as a variety of fac-

tors have led drug manufacturers to roll back the steep discounts they had long afforded family planning providers.[27] Data from the Oregon program show that between 2002 and 2007, the lowest cost oral contraceptives increased in price from $1.85 to $3.20, and the highest cost pills on the program's formulary increased from $3.25 to $14.70.[28]

The impact of these two factors is shown clearly in data from the Oregon program and several broader investigations. Overall, the Oregon program's average cost per client of contraceptive supplies increased 71% between 2002 and 2006, from $41 to $70.[28] Moreover, according to a 2002 Guttmacher Institute investigation of 12 large family planning agencies from across the country, the reported cost per client of providing contraceptive supplies had risen 58% over six years.[29] A somewhat larger 2005 follow-up survey found that grantees had increased their Title X spending on contraceptive supplies by an average of 26% over just three years.[30]

Similarly, family planning providers are facing rising costs because of an increasingly broad and expensive package of additional services provided to reversible-contraceptive clients. The past two decades have seen the advent of diagnostic and treatment technologies that are both more effective and more expensive, including new diagnostic tests for precancerous cervical lesions, such as the liquid-based Pap test and the HPV test. Clinics have also responded to guidelines issued by the U.S. Preventive Services Task Force and the Centers for Disease Control and Prevention that are urging routine testing for HIV and chlamydia.[31]

While overshadowed by the growing importance of Medicaid funding, other sources of family planning client service expenditures remain vital. Federal grants and state appropriations—Title X in particular—constitute substantial sources of funding in many states and are more flexible in nature than Medicaid dollars. Unlike Medicaid, these funding sources are not tied to individual users or clinical services, and they can be used for outreach and education activities, population-based interventions and associated services. Moreover, as Medicaid continues to grow as a proportion of all spending, family planning providers will need these alternative sources of funding to fill out the package of necessary services beyond what Medicaid will cover and to provide services to populations that Medicaid is unable to serve. In addition, the Title X program effectively sets standards nationwide for all public provision of family planning services, helping to ensure that services are comprehensive, voluntary, confidential and affordable.

Together, this patchwork of disparate funding sources comprises a critical safety net to fund needed family planning and related services to millions of low-income individuals each year. With the help of these services, women and couples are able to avoid over one million unplanned pregnancies each year, and the myriad consequences that would other result to themselves, their families and society at large.[32]

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