

Cost Pressures on Title X Family Planning Grantees, FY 2001–2004

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Background

Title X of the Public Health Service Act is the only federal program dedicated to providing family planning services and supplies. The program fulfills several roles. It pays for services for women and men who do not meet the narrow eligibility requirements of the federal-state Medicaid program (which provides broad-based health coverage for low-income Americans). Moreover, it helps meet the gap between what Medicaid reimburses for a family planning visit and what the visit actually costs to provide. Title X funds are also often used to pay for outreach and education efforts and for clinic operations. Finally, Title X sets nationwide standards for public family planning services, ensuring that the services provided are comprehensive, voluntary, confidential and affordable.

In 2004, Title X–supported clinics provided services to 4.2 million women using a contraceptive method,¹ making a significant contribution toward the 1.3 million unintended pregnancies prevented each year by publicly funded family planning.² Title X clinics also provide screening and early treatment for conditions that can threaten women’s lives and fertility. In 2004, these clinics provided 2.8 million Pap tests to screen for precursors to cervical cancer. They also provided 531,000 HIV tests and 5.4 million tests for other STIs as part of Title X project services.³ Nevertheless, inflation-adjusted appropriations for Title X have dropped by nearly 60% since FY 1980.⁴

In response to anecdotal reports of increasing cost pressures on Title X clinics, the Guttmacher Institute in 2002 conducted a small-scale investigation of 12 family planning agencies from across the country.⁵ These agencies reported several major clusters of financial pressure. First, the cost per client of providing contraceptive supplies had risen 58% over six years. This seemed to be driven in large part by clients’ demand for new, longer-acting methods, such as the injectable Depo-Provera, which is easier to use but more expensive for clinics than oral contraceptives and condoms. Second, the agencies reported increasing expenses for diagnostic tests, both because of greater demand for and rising costs per test. Guidelines from key medical organizations and agencies have promoted routine screening for STIs, as well as the use of newer and more expensive tests to diagnose cervical cancer and precancerous lesions. Third, Title X–funded providers emphasized that Medicaid failed to cover the full cost of client services, leaving other funding sources, particularly Title X, to bridge the gap. Data from seven Title X projects indicated that an initial family planning visit cost an average of \$118, but that Medicaid reimbursed an average of only \$62. Several respondents also highlighted an increasing difficulty in providing services and assistance to non–English speakers, because of growing diversity in their client population.

Methods

To follow-up on these issues, we conducted a broader survey of all of the 78 Title X grantees providing clinical services in the 50 states, the District of Columbia and Puerto Rico in 2005. Using a one-page questionnaire sent via electronic mail, we asked grantees about the amount of Title X funds spent in FY 2004 on contraceptive supplies and diagnostic tests; we compared the responses with similar data collected for FY 2001 as part of the Guttmacher Institute’s periodic survey of public funding for family planning services.⁶ The questionnaire also asked about spending on and Medicaid reimbursement for family planning visits and about spending on language assistance services. Findings from this survey are presented below, and the methodology that was used is detailed in the Appendix, below. The data presented are for the grantees that could provide comparable data for both years on the given set of questions, a number that in all cases was low, ranging from four to 19 respondents. Because of that fact,

these findings are not necessarily representative of the experience of the Title X program nationally and must be considered exploratory. Nevertheless, these findings go beyond the earlier investigation and help to corroborate its conclusions.

Highlights and Conclusions

Contraceptive Supplies:

- Among the 14 grantees that provided sufficient information to allow comparison, Title X expenditures on contraceptive supplies increased by an average of 26% over three years ([Figure 1](#)). In comparison, their total Title X grants increased by an average of 11%.
- These averages disguise wide variations among grantees: Five grantees decreased their Title X spending on contraceptive services over the three years, while two nearly tripled such spending. Title X grants, in contrast, increased for all but one of the grantees, and by no more than one-third.
- Title X spending on contraceptive supplies for those 14 grantees ranged from 1% to 24% in 2001 and from 3% to 39% in 2004 as a proportion of their total grant. The average increase in that proportion over the three years was 12%.

Diagnostic Tests:

- Among the 11 grantees that provided sufficient information, Title X expenditures on diagnostic tests—including tests for HIV and other STIs, pregnancy tests, Pap smears and other lab tests—more than doubled (an average increase of 109%) over the three years ([Figure 2](#)). In comparison, their total Title X grant awards increased by 10%.
- Again, these averages disguise wide variations among grantees: Four grantees decreased their Title X spending on diagnostic tests, while three increased such spending by 150% or more. In contrast, Title X grants increased for all but one of the grantees, and by no more than one-third.
- As a proportion of respondents' total grant amount, Title X spending on diagnostic tests ranged from 1% to 15% in 2001 and from 0% to 43% in 2004. The average increase over three years was 98%.

Cost and Reimbursement:

- According to data from 19 respondents, an initial family planning visit at a Title X project cost an average of \$159 in FY 2004 ([Figure 3](#) and [Table 1](#)). Medicaid reimbursement averaged \$83. (Respondents reported similar findings for annual visits.)
- Medicaid reimbursed, on average, for 54% of the cost of an initial visit in FY 2004. This varied widely, with seven of 19 respondents reporting rates of less than 40%.

- The cost of an initial visit grew by an average of 24% over three years; 13 of 19 respondents reported increases of at least 10% and only one respondent reported no increase.
- In contrast, Medicaid reimbursement for an initial visit grew an average of 15% over the same time period; six respondents reported increases of at least 10% and nine respondents reported no increase.
- The proportion of cost reimbursed by Medicaid has dropped by an average of 4% over three years for an initial visit. Thirteen of 19 respondents reported a drop, five by more than 20%.

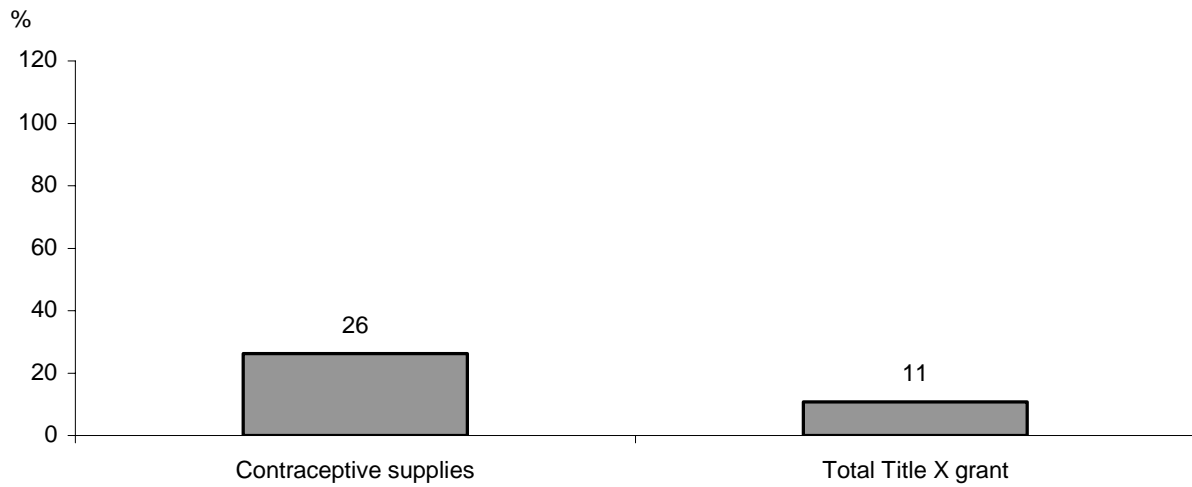
Language Assistance:

- Only five respondents reported expenditures for both 2001 and 2004 on language assistance services (including materials and personnel) for Title X project clients with limited English proficiency. Those five respondents reported an average increase in expenditures of 58% (Figure 4).
- Per-client expenditures could be calculated for four of those respondents: They reported an average increase of 35% in per-client expenditures.

Conclusions:

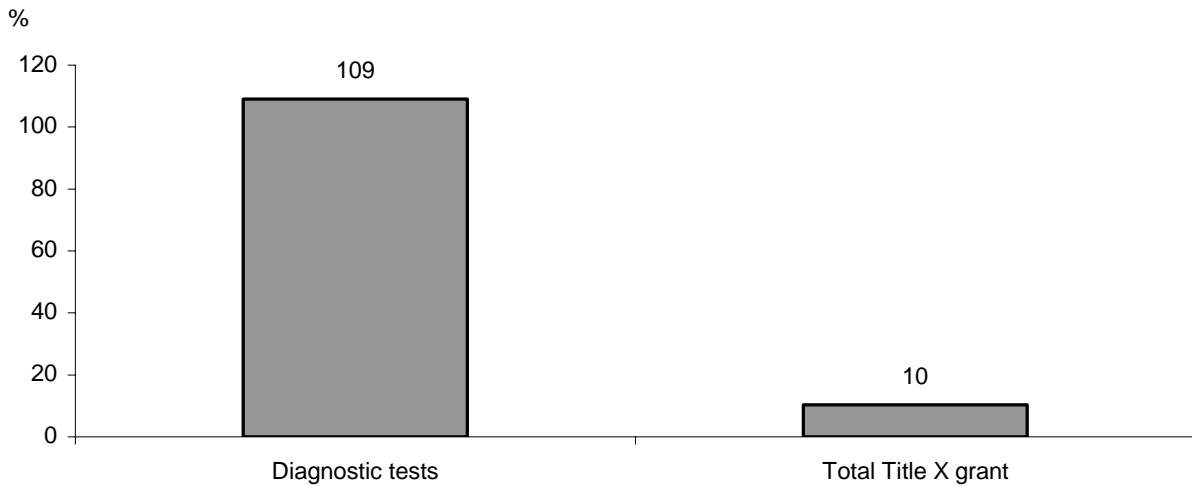
The findings of this survey support those of the 2002 investigation and anecdotal reports from around the country. Although we have limited data, and although Title X spending on contraceptive supplies and diagnostic tests varies from grantee to grantee, on average it increased between 2001 and 2004 among grantees reporting data, outpacing small increases to Title X grants. A likely consequence is that Title X projects are spending a rising portion of their grants on these two types of supplies, leaving less money for other expenses. At the same time, there is some evidence of a large and growing gap between the real cost of a family planning visit and the reimbursement that projects obtain from Medicaid. In many states, Medicaid reimbursement appears to have stagnated, no doubt reflecting in part the budgetary struggles facing states in the first few years of the decade. Although few respondents could identify their spending on language assistance—costs that are difficult to separate out from broader spending on written materials and staff salaries and benefits—those that could identify such spending reported sizable increases.

Figure 1. Average percentage change in Title X spending on contraceptive supplies and overall Title X grant, 2001–2004



Note: Based on 14 grantees.

Figure 2. Average percentage change in Title X spending on diagnostic tests and overall Title X grant, 2001–2004



Note: Based on 11 grantees.

Figure 3. Cost of and Medicaid reimbursement for an initial family planning clinic visit, 2001–2004

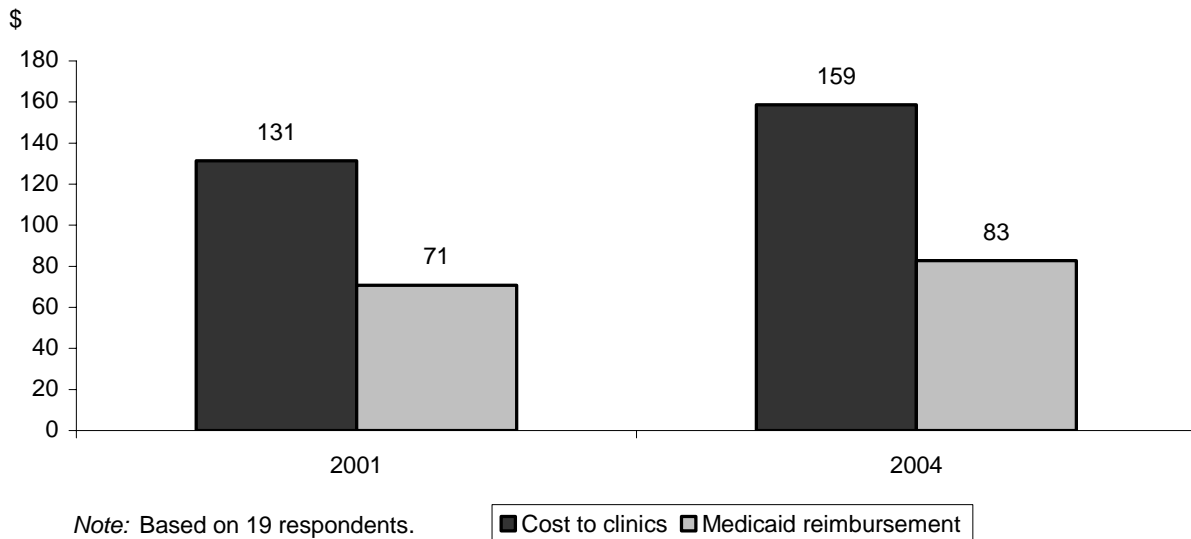


Figure 4. Average percentage change in overall spending and per-client spending on language assistance services, 2001–2004

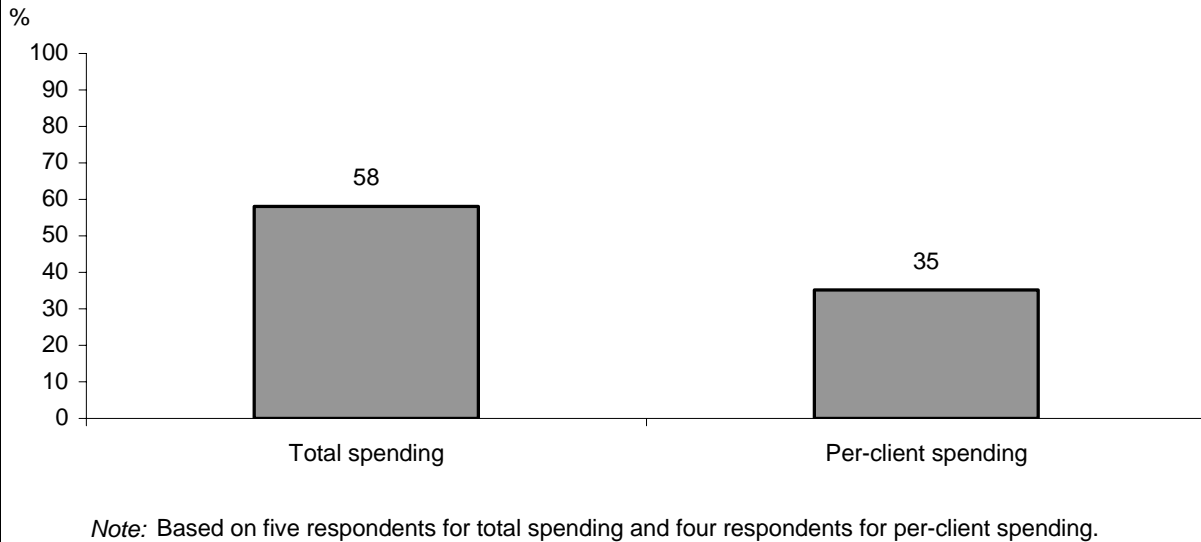


Table 1. Patterns in overall cost of and Medicaid reimbursement for initial and annual family planning clinic visits, 2001–2004

	Initial visit			Annual visit		
	2001	2004	% change	2001	2004	% change
Cost to clinics	\$131.45	\$158.69	24.2	\$121.46	\$148.79	25.4
Medicaid reimbursement	\$70.69	\$82.71	15.2	\$67.15	\$78.83	14.8
% of cost reimbursed by Medicaid	57.6	54.2	-3.8	58.7	54.7	-5.1

Notes: N=19.

Other Resources

[The Provision and Funding of Contraceptive Services at Publicly Funded Family Planning Agencies: 1995–2003](#), *Perspectives on Sexual and Reproductive Health*, 2006, 38(1):37–45

[Contraception Counts: State-by-State Comparative Data](#), 2006

[Attacks on Medicaid and Title X Endanger Public Contraceptive Funding](#), *The Guttmacher Report on Public Policy*, 2005, 8(1):4–7

[Contraceptive Services](#), *Facts in Brief*, 2005

[Public Funding for Contraceptive, Sterilization and Abortion Services, FY 1980–2001](#), 2005

[The Availability and Use of Publicly Funded Family Planning Clinics: U.S. Trends, 1994–2001](#), *Perspectives on Sexual and Reproductive Health*, 2004, 36(5):206–215

[Preventing Unintended Pregnancy: The Need and the Means](#), *The Guttmacher Report on Public Policy*, 2003, 6(5):7–10

[Nowhere But Up: Rising Costs for Title X Clinics](#), *The Guttmacher Report on Public Policy*, 2002, 5(5):6–9

[Challenges Facing Family Planning Clinics and Title X](#), *The Guttmacher Report on Public Policy*, 2001, 4(2):8–11

[Title X: Three Decades of Accomplishment](#), *The Guttmacher Report on Public Policy*, 2001, 4(1):5–8

[Fulfilling the Promise: Public Policy and U.S. Family Planning Clinics](#), 2000

Appendix: Detailed Methodology

Fielding, Response and Survey Instrument:

The instrument for this study was a one-page questionnaire in three sections. First, it asked for the amount of Title X funds spent on several categories of family planning services in FY 2004. In order to obtain data comparable over time, the format of this section closely paralleled that of the FY 2001 iteration of the Guttmacher Institute's periodic survey of public funding for family planning services.⁷ The categories of services asked about included reversible contraceptive supplies and five types of tests (HIV, other STIs, Pap smears/cervical cancer, pregnancy and other lab tests); several other categories were asked about, but not enough comparable data were obtained to present any findings, such as a complete breakdown of grantee spending. Expenditures for the five types of tests are reported in the aggregate.

Second, the questionnaire asked about the amount spent by the Title X project on a family planning visit and the amount reimbursed for such a visit by Medicaid. Data were requested for FY 2001 and FY 2004 for both an initial and an annual visit. Finally, grantees were asked for the total amount spent in those two years (including materials and personnel) to provide language assistance services to Title X project clients with limited English proficiency.

In April 2005, questionnaires were sent (primarily via electronic mail, although via postal service in several cases) to all 78 Title X grantees that were identified by the Office of Population Affairs as providing clinical services in the 50 states, the District of Columbia and Puerto Rico. The mailing included an explanation of the project and its funding, and it requested that grantees complete and return the questionnaire by electronic mail, postal service or facsimile. A month later, a follow-up mailing was conducted, again attaching the questionnaire and a letter of explanation. Grantees late in responding were contacted repeatedly by telephone beginning in June 2005, and respondents were contacted by telephone and electronic mail to clarify their answers. The survey was closed at the end of August 2005.

Of the 78 grantees, 16 did not respond at all, 15 reported that no or minimal data were available and 47 provided potentially useful data. Two of those 47 grantees could not consolidate data into a grantee-wide response; rather, they provided data for large delegate agencies (subgrantees that provide clinical services). We treated five of those large delegate agencies as respondents. Ultimately, 34 respondents (including three delegates) provided data regarding expenditures for specific types of services; 45 respondents (including five delegates) provided at least some data on costs and Medicaid reimbursement for family planning visits; and 11 respondents (including two delegates) provided spending figures for language assistance. The numbers that were useful for comparing changes between 2001 and 2004 were lower: There were 11–14 such responses for the questions on expenditures, 19 for the question on cost and reimbursement, and 4–5 for the questions on language assistance.

Data Analysis:

For each question, our broad analytical approach was to average the data provided by all respondents and to focus on changes between FY 2001 and FY 2004. Throughout this report, averages and percent changes are obtained by averaging figures calculated for each respondent, not by comparing collective averages. For example, to calculate the average change in expenditures on contraceptive supplies, we first calculated the percent change between the two years for each respondent and then averaged those percent changes.

The expenditures data for contraceptive supplies and diagnostic tests reflect Title X funds only, excluding other sources of funds used to pay for client services (including Medicaid

reimbursement, private insurance coverage, clients' out-of-pocket payments and other government grants). Because changes in Title X expenditures may not reflect changes in total expenditures, we also used each grantee's total Title X grant as a reference for comparison.⁸

In addition to looking at averages and changes over time for the cost of and Medicaid reimbursement for a family planning visit, we also compared the two figures to calculate the proportion of total cost that was reimbursed and looked at changes in that measure over time.

Because our question about language reimbursement asked for total spending by the entire Title X project, it was appropriate to look at per-client spending as well. For that measure, we used data on the number of family planning clients served by each grantee obtained from annual Title X program evaluation data.⁹

For the sake of simplicity in presenting the data, we did not adjust for inflation between 2001 and 2004. Rather, each section of the report includes an appropriate benchmark for comparison (i.e., total Title X grant) or makes use of a ratio that is independent of inflation (i.e., proportion of total cost that was reimbursed or per-client spending).

Methodological Concerns:

Because of the low rate of response, none of the figures reported can be assumed to accurately reflect all Title X service grantees nationwide. Notably, however, the respondents come from all regions of the country, include state agencies and private nonprofit agencies, and vary widely in the size of their budget and client base. Grantees that could provide no or minimal data indicated that they simply did not track their expenditures in a way that would allow them to answer our questions. A common explanation was that they pass on their Title X funding to delegates and do not ask delegates to report back such data. Another difficulty was that grantees and delegates often combine funding from multiple sources and cannot track how Title X dollars, specifically, are used.

We were able to make one rough check on the robustness of our data, for the section looking at total costs and Medicaid reimbursement. The figures reported here reflect data for the 19 respondents that answered all of the questions in that section, in order for the findings to be comparable. We performed the same calculations, however, using data from other respondents who could only answer some of the questions; the findings in all cases are similar.

A few other methodological issues should be noted. Several respondents indicated that some or all of their data were not for the time periods requested: federal fiscal year 2001 (October 1, 2000, through September 30, 2001) and federal fiscal year 2004 (October 1, 2003, through September 30, 2004). Rather, some data were for the calendar year or the state's fiscal year, which for most states runs from July 1 through June 30. In addition, the FY 2001 survey of expenditures used somewhat different questions than the FY 2004 survey, possibly resulting in some loss of comparability. Neither issue seems likely to have affected the overall conclusions of this report.

References

¹ Frost JJ and Frohwirth L, *Family Planning Annual Report: 2004 Summary, Part 1*, New York: The Alan Guttmacher Institute (AGI), 2005.

² Forrest JD and Samara R, Impact of publicly funded contraceptive services on unintended pregnancies and implications for Medicaid expenditures, *Family Planning Perspectives*, 1996, 28(5):188–195.

³ Frost JJ and Frohwirth L, *Family Planning Annual Report: 2004 Summary, Part 1*, New York: AGI, 2005.

⁴ Guttmacher Institute, special tabulations of Title X appropriations, FY 1980–2006.

⁵ Gold RB, Nowhere but up: rising costs for Title X clinics, *The Guttmacher Report on Public Policy*, 2002, 5(5):6–9.

⁶ Sonfield A and Gold RB, *Public Funding for Contraceptive, Sterilization and Abortion Services, FY 1980–2001*, New York: AGI, 2005, <<http://www.guttmacher.org/pubs/fpfunding/index.html>>, accessed June 21, 2006.

⁷ Ibid.

⁸ Department of Health and Human Services, Office of Population Affairs, personal communication, May 29, 2002, and Sept. 12, 2005.

⁹ Special tabulations from the Family Planning Annual Report, 2001 and 2004.