

Is California's Family PACT Program a good investment?

Findings from the 2007 Family PACT Cost-Benefit Analysis



Background

The Family PACT (Planning, Access, Care and Treatment) Program was established by the California legislature in 1996 to provide family planning and reproductive health services at no cost to California's low-income residents whose income does not exceed 200% of the federal poverty level and who have no other reproductive health care coverage. The program offers family planning services including contraception, sterilization, and pregnancy testing. Additionally, reproductive health services such as testing and treatment for specific sexually transmitted infections and limited cancer screening services are available.

Since its inception, provision of contraceptive services through the Family PACT Program has had a significant effect on the lives and well-being of low-income individuals by helping them avoid an unintended pregnancy. In the absence of Family PACT, many couples might use no method of contraception or a lower efficacy method.

This study highlights the cost-benefit of providing publicly-funded family planning services by comparing the cost of services provided through the Family PACT Program in Calendar Year (CY) 2007 to the public sector expenditures which would have been incurred as a result of unintended pregnancy in the program's absence. The results reveal how much expense local, state, and federal governments avoid in the short-term by investing in Family PACT.

By avoiding public health and social service expenditures resulting from unintended pregnancies to Family PACT clients, every dollar spent on Family PACT saved the public sector \$4.30 from conception to age two and \$9.25 from conception to age five.

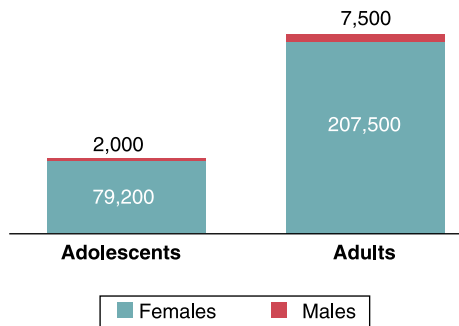




Pregnancies Averted By the Family PACT Program

Almost one million women (998,884) aged 15-44 received contraceptive coverage through Family PACT in 2007. It is estimated that these services averted 286,700 pregnancies among female clients. For the 99,268 male clients aged 15-44 who received contraceptive methods through Family PACT, it is estimated that their partners experienced 9,500 fewer pregnancies. Thus, one year of Family PACT services averted an estimated 296,200 total unintended pregnancies. Over one-quarter (27%) of these unintended pregnancies would have been experienced by adolescents.

Pregnancies averted to female clients and the partners of male clients as a result of Family PACT services in 2007

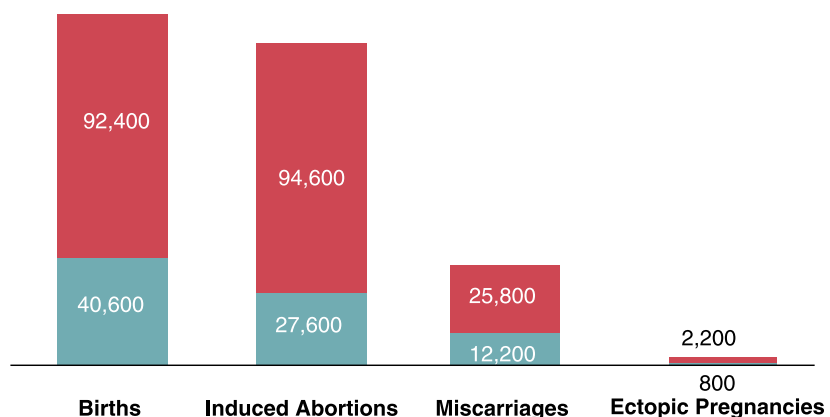


Note: The number of pregnancies averted was calculated as the difference between the number of pregnancies expected among Family PACT clients and the number of pregnancies they might have experienced in the program's absence, according to methods used prior to program enrollment. The number of pregnancies expected among Family PACT clients was estimated for 99,268 male and 998,884 female clients aged 15-44 who received contraceptive methods through Family PACT in 2007.

Through the provision of contraceptive services to nearly one million women and 100,000 men in 2007, the Family PACT Program averted an estimated 286,700 unintended pregnancies in California, including 81,200 pregnancies to adolescents.

These 296,200 averted pregnancies would have led to an estimated 133,000 unintended births, including 40,600 adolescents births, 122,200 abortions, 38,000 miscarriages and 3,000 ectopic pregnancies.

Estimated outcomes of the 296,200 unintended pregnancies averted as a result of Family PACT services in 2007



Public sector costs of an unintended pregnancy

The prevention of an unintended pregnancy results in significant cost avoidance to federal, state, and local governments. Low-income women who become pregnant can qualify for several public programs which cover medical costs before and after a delivery, income support, and social services for themselves and their child. These programs include Medi-Cal, Healthy Families, Cal-WORKs, Food Stamps, WIC, state-subsidized child care, Head Start, California Children's Services, Early Start, SSI/SSP, Cal-Learn, Cal-SAFE, and foster care. The cost of an unintended pregnancy is based on the average cost per program participant, and adjusted for the probability that a Family PACT client and her newborn would qualify for and actually participate in each program (based on age, income, family size, and immigration status). The number of pregnancies averted to the partners of male Family PACT clients was not included in the estimates because the information needed to determine their eligibility for publicly-funded programs was not available.

It is estimated that each pregnancy averted to a female Family PACT client avoided the public sector expense of \$6,557 in medical, welfare, and other social service costs from conception to age two (\$5,110 for women aged 20-44 and \$10,351 for those aged 15-19). Given the estimated number of pregnancies averted to adult and adolescent female clients and the likely outcomes of these pregnancies, the estimated total cost-savings of the unintended pregnancies averted by Family PACT in 2007 was \$1.88 billion from conception to age two (\$1.06 billion for adults and \$820 million for adolescents). From conception to age five, Family PACT avoided \$14,111 in public sector costs per averted pregnancy (\$11,441 for adults and \$21,105 for adolescents), for a total of nearly \$4.05 billion (\$2.37 billion for adults and \$1.67 billion for adolescents).

Cost-Benefit of the Family PACT Program

By avoiding public health and social service expenditures resulting from unintended pregnancies to female Family PACT clients, every dollar spent on Family PACT saved the public sector \$4.30 from conception to age two and \$9.25 to age five, nearly doubling from the cost-benefit ratios estimated for 2002 (\$2.76 and \$5.33, respectively).

Cost-benefit of preventing pregnancies through the Family PACT Program, 2007

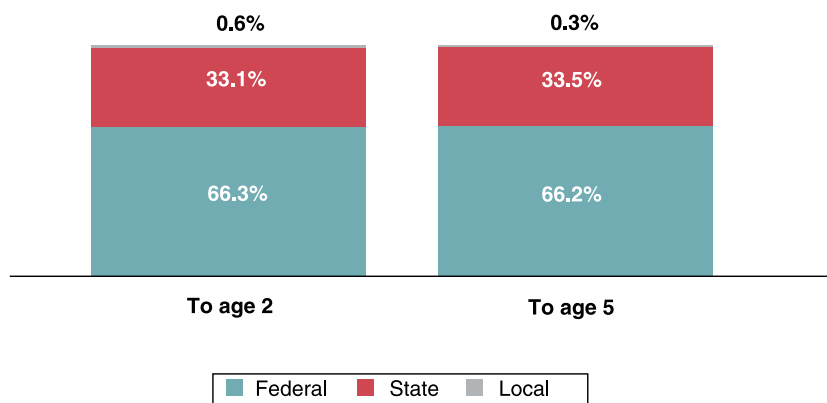
Pregnancies averted among female clients	Public cost of each pregnancy		Cost avoidance from averting pregnancy		Cost of Family PACT services	Cost-benefit ratio	
	To age 2	To age 5	To age 2	To age 5		To age 2	To age 5
286,700	\$6,557	\$14,111	\$1.88 billion	\$4.05 billion	\$437.3 million	\$4.30	\$9.25

Family PACT contraceptive services in 2007 resulted in the aversion of nearly \$2 billion from conception to age two and over \$4 billion from conception to age five.



Given the share of funding contributed by each level of government to each of the health and social service programs a Family PACT client could qualify for, the overall share of the public sector cost avoided from conception to age two was over \$1 billion federal (66.3%), nearly \$623 million state (33.1%), and over \$11 million local (0.6%). From conception to age five, the share of costs avoided was nearly \$2.7 billion federal (66.2%), over \$1.3 billion state (33.5%), and nearly \$14 million local (0.3%).

Share of Costs Avoided by Payer, 2007



Summing it up

In 2007, the Family PACT Program helped avert an estimated 296,200 pregnancies to California's low-income residents and results in significant cost avoidance. These findings highlight a substantial increase in the program's cost-benefit since the 2002 analysis, with the overall savings nearly doubling due to increased public cost per pregnancy, a greater number of pregnancies averted per client, and decreased Family PACT expenditures per client. Despite the conservative methodological approaches taken in the study, the financial consequences of unintended pregnancy are over four times the cost of prevention.

This brief is based on the UCSF report *Cost-Benefit Analysis of the California Family PACT Program for Calendar Year 2007*. The full report and brief are available at: <http://bixbycenter.ucsf.edu/publications.html>