

# What employees should reject when they're expecting

## Experts offer five ways employers can encourage better maternity care and potentially avoid unnecessary medical costs.

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Improving the quality of maternity care is in the interest of every expectant family and a top priority for employers. Despite a health care system that outspends those in the rest of the world, the U.S. has a worse record than many other industrialized nations in terms of how infants and mothers fare. One reason for this is American mothers have higher rates of conditions such as obesity, gestational diabetes and hypertension than in the past.

Another key reason for our poor maternal and child health outcomes is that convenience has grown to take priority over the best health outcomes. Over the last two decades, it's become common practice to induce labor sooner than 39 weeks despite the fact that carrying an infant to term has a multitude of health benefits for mothers and babies.

The widespread use of early labor inductions and C-sections has serious health implications, as both practices carry a higher risk of complications than a full-term vaginal delivery. Interrupting the normal course of pregnancy can also have important cost implications. For example, C-sections are much more costly than vaginal deliveries (\$12,739 versus \$9,048 for private health insurers in 2010), and women who are induced without a recognized indication are 64% more likely to have a baby that winds up in the NICU, compared to women going into labor on their own.

### Five suggestions

Efforts by employers to improve maternity care can result in better, safer care for moms and babies, while avoiding expensive and often unnecessary medical costs. Here are five ways to get started:

1. Contract with Centers of Excellence for maternity in geographic areas with large concentrations of employees. The significant variation in the quality of maternity care across the U.S., especially in C-section rates, makes labor and delivery a good fit for COEs. In fact, large employers are starting to create narrow networks of hospitals that provide enhanced maternity services in cities where they have large populations of employees.

### Contracting directly

This trend is likely to grow in the future as employers seek to improve care quality and manage spending. According to the results from a joint survey conducted by Towers Watson and the National Business Group on Health, 13% of best performers - employers whose costs have increased over four years at a much lower rate than the Towers Watson/National Business Group on Health median - are contracting directly with physicians, hospitals and/or ACOs, and an additional 31% plan to do so in 2014.

Employers interested in contracting directly with hospitals for maternity should develop a set of quality requirements that hospitals must meet to be designated as a COE, including hard-stop policies restricting nonmedically indicated inductions prior to 39 weeks gestation and nonmedically indicated Caesarean deliveries. Other considerations for employers when contracting with COEs for maternity are payment methodologies. A growing number of employers are forgoing paying hospitals separately for labor and delivery services and are instead using bundled payments to reward quality outcomes rather than reward performing more services.

2. Refine infertility benefits and narrow network to best-in-class providers. Employers who don't already have infertility COEs in their network should consider adding them; these facilities abide by recognized quality criteria, including volume of cases, overall live birth rate and low multiple birth rate.

Employers who already have infertility COEs in place should consider strategies that steer employees to use these high-quality providers, including lowering cost sharing for COEs and providing incentives for their use. Employers should also consider requiring women and their partners to engage with a nurse case manager to receive coverage for fertility treatments.

#### Offer support

3. Offer a maternity support program and provide incentives for participation. Many employers offer maternity programs that educate, support and coordinate care for women and their families. Another important role for these programs is that they should help employees choose a physician, hospital or birthing center with C-section rates below 15% and early elective delivery rates below 5%, when possible.

By addressing the spectrum of needs of pregnant women, maternity support programs can be an important vehicle to improving health outcomes; however, success depends on employees and dependents enrolling and participating in them. Employers can promote enrollment in these programs by offering incentives, such as contributions to health reimbursement accounts or health savings accounts, gift cards or child safety seats. Employers can promote continued participation by tying these incentives to program completion.

4. Communicate with employees about the potential harms of elective inductions and C-sections. For pregnant women who aren't aware of the potential harms, being able to schedule labor can be appealing. As a result, there is a need for better education through health care providers, the media and other channels. Employers have an opportunity to play a key role in communicating with employees and dependents about commonly overused maternity interventions that are associated with poorer outcomes for mothers, babies or both when not medically necessary.

But for this communication to be successful, it must come from a trusted source. The National Business Group on Health, for example, has partnered with Consumer Reports to provide NBGH employer-members with a series of reports on critical health issues that they can disseminate to employees and dependents.

5. Promote the use of decision-support tools. Research indicates that provider practice patterns are a driver in the rise of C-section rates in the U.S. The good news is that studies also show that increasing the role of pregnant women in health care decision-making through the use of decision-support tools is an effective way of reducing C-sections.

The Informed Medical Decisions Foundation and Childbirth Connection have designed a set of decision aids for pregnant women that seek to improve care quality by reducing the utilization of overused/potentially harmful interventions and increasing interventions that improve outcomes.

Employers can promote these decision-support tools by ensuring that maternity support programs recommend their use; employers may also want to provide an incentive to encourage greater uptake.

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