

## WHAT ARE THE COSTS OF PRETERM BIRTH FOR BUSINESSES AND THE COMMUNITY?

- A person's health plan often pays for the cost of having a baby. Many people get their health plans through their employer. It costs employer health plans about \$2,830 for a healthy baby, compared to about \$41,610 for a preterm baby—that's about 15 times higher for a preterm baby than for a full-term baby. About 11% of babies who are covered by employer health plans are born early.
- In the first year after birth, preterm babies are in the hospital about 14.5 days longer than full-term babies. This extra hospital time means that moms and dads of preterm babies may need to miss work. In the first six months after birth, mothers of preterm babies are on short-term disability 10.2 days longer than mothers of full-term babies. This costs employers about \$2,766 each year.
- Preterm babies often have medical and learning problems later in life. Costs for early intervention services for babies born at 24 to 31 weeks are 7 times higher than the costs for full-term babies. The costs for babies born at 32 to 36 weeks are double the costs for full-term babies.

## WHO PAYS FOR PRETERM BIRTH?

We all do. The costs of preterm birth affect everyone, including families, businesses, schools and health services. According to the Institute of Medicine, preterm birth costs \$26 billion each year in the United States. Hospital costs for preterm babies are high. These costs make up almost half of the total hospital costs for all babies. The costs of preterm birth may not end when a preterm baby leaves the hospital. Some preterm babies have serious health problems that last for most of their lives. Employers and private health insurance plans pay for much of the medical costs for preterm babies. Taxpayers also pay much of the cost through federal and state Medicaid programs.

## WHAT ARE THE COSTS OF PRETERM BIRTH IN KENTUCKY?

- In 2005, hospital charges to care for preterm babies were \$204 million in Kentucky.
- It costs the Kentucky Medicaid program 4 times as much to care for the group of babies born only a few weeks before their due date (late preterm babies) as it cost to care for the group of babies born extremely early (before 26 weeks). This is because there are so many late preterm babies born in Kentucky. A late preterm baby is born between 34 and 37 weeks of pregnancy.

## WHAT ARE THE EMOTIONAL COSTS OF PRETERM BIRTH?

Many preterm babies have serious health problems that may disrupt day-to-day life for families. Parents may spend hours giving special care to preterm babies. They may need extra time away from their jobs and other children. They may need to travel and find a place to stay when the baby is in the hospital. They also may have trouble paying the high medical bills. Behavior and learning problems later in life may cause stress for

the family and put a strain on marriages and family relationships. For all these reasons it is best to try to have a healthy, full-term baby.