

Date of Hearing: March 21, 2023

ASSEMBLY COMMITTEE ON HEALTH  
Jim Wood, Chair  
AB 90 (Petrie-Norris) – As Introduced January 5, 2023

**SUBJECT:** Family PACT Program: contraceptive device coverage.

**SUMMARY:** Specifies that inpatient services related to the placement or insertion of a contraceptive device are a covered benefit in the Family Planning, Access, Care, and Treatment (Family PACT) Program.

**EXISTING LAW:**

- 1) Establishes the Family PACT program, administered by the Department of Health Care Services (DHCS), which provides comprehensive clinical family planning services, including family planning, contraceptive drugs and devices, health education and counseling, treatment of specified conditions, and other family-planning related services, to qualified individuals with incomes below 200% of the federal poverty level (FPL). [Welfare and Institutions Code (WIC) § 14132 (aa)]
- 2) Requires DHCS to implement the federal option to grant presumptive eligibility for a Medical temporary benefits program that covers prenatal services for pregnant women (Presumptive Eligibility for Pregnant Women, or PE4PW). [WIC § 14148.7]
- 3) Establishes the PE4PW option under federal law and specifies that the program covers ambulatory prenatal care. [42 U.S. Code § 1396r-1]

**FISCAL EFFECT:** Unknown. This bill has not yet been analyzed by a fiscal committee.

**COMMENTS:**

- 1) **PURPOSE OF THIS BILL.** This bill is sponsored by American College of Obstetricians and Gynecologists (ACOG), District IX. According to the author, Family PACT restricts coverage for care provided in the inpatient setting, which disadvantages eligible individuals who lack coverage for long acting reversible contraception (LARCs) in the immediate postpartum period. According to the author, birthing individuals most at risk of becoming pregnant again shortly after a pregnancy are also more likely to miss their postpartum follow-up visits. This change is intended to ensure postpartum individuals receive needed care at the right time. Furthermore, the author notes this change will benefit women from underserved and marginalized communities by making it easier to receive a highly effective contraceptive option immediately postpartum, instead of requiring Family PACT patients to return for a follow-up visit at an outpatient clinic.
- 2) **BACKGROUND.**
  - a) **LARCs.** LARCs are highly effective birth control devices inserted into the body. They include intrauterine devices (IUDs) and implants, which can stay in the body for several years and can be removed if an individual wants to become pregnant. Because of the good safety profile and high patient satisfaction, as well as very high efficacy, evidence-

based clinical guidelines such as those issued by ACOG advocate for improving access to and removing barriers to use of LARCs.

**b) Family PACT.**

- i) Eligibility.** Family PACT provides comprehensive clinical family planning and family planning-related services to qualified individuals with incomes below 200% FPL. According to DHCS, Family PACT is designed to narrow the gap between insured and uninsured individuals in California. The program is designed to make contraception easily accessible to individuals who qualify. Unlike other programs with more complex and lengthy eligibility processes, enrolled Family PACT providers can determine an individual's eligibility for Family PACT at the site of clinical service delivery, on the same day the individual seeks services.
- ii) Coverage.** Family PACT covers a wide range of family planning services, including office visits, procedures, drugs and contraceptive supplies. Family PACT does not cover abortions, nor services ancillary to abortions. However, the Family PACT provider manual specifies that Family PACT covers the insertion of an IUD when provided immediately after an abortion. Most abortions, including surgical abortions, are provided in an outpatient setting.
- c) PE4PW.** DHCS also administers the PE4PW program, which provides immediate, temporary health care, including abortion and miscarriage, related to pregnancy for low-income pregnant people. PE4PW is designed for California residents who believe they are pregnant and who appear eligible for and do not have Medi-Cal coverage for prenatal care. The program is designed to ensure immediate access to a limited range of services important for pregnant people. It does not cover family planning services.
- d) Identified Coverage Gap.** The Family PACT provider manual specifies provider enrollment is location-specific and all Family PACT services must be rendered by, or at, an enrolled service location only. There is no DHCS billing guidance that specifies Family PACT coverage extends to IUD insertions provided in an inpatient setting. Thus, the author expresses concern that a coverage gap exists in the following scenario:
  - i)** An individual eligible for Family PACT is receiving an abortion or other procedure in the inpatient setting (Family PACT does not cover the abortion service);
  - ii)** The individual does not have other coverage or is receiving prenatal and abortion services through the PE4PW program, which does not cover contraception; and,
  - iii)** It is clinically appropriate to insert an IUD and the individual wants an IUD.

For individuals with PE4PW, DHCS guidance indicates if an applicant needs a procedure that is not a PE4PW benefit, the applicant can apply for retroactive Medi-Cal benefits, which will cover those services if the individual is found Medi-Cal eligible. However, according to this bill's sponsor, even if someone covered through PE4PW eventually receives retroactive coverage for services not covered by PE4PW, like family planning, the lack of coverage at the time of the service is a disincentive for providers to provide LARCs immediately after an inpatient procedure, when most clinically appropriate.

- e) **Post-Abortion Contraception.** According to ACOG Committee Opinion Number 833, the post-abortion period is a safe and efficient time to initiate contraception for individuals who wish to delay or avoid a subsequent pregnancy. ACOG also states that providing a contraceptive method immediately after an induced or spontaneous abortion can help individuals achieve their desired reproductive outcomes and minimize the burden of multiple appointments. ACOG recommends contraceptive counseling to be offered, and immediate provision of all contraceptive methods should be made available, when possible, to any patient interested in contraceptive care in this setting. If an individual does not receive the device immediately postpartum, they may have to wait several weeks to reduce the risk of expulsion of an intrauterine device, and seek an additional clinic appointment specifically to receive the IUD.
- f) **Medi-Cal Reimbursement for Inpatient Services Generally.** Medi-Cal reimbursement for inpatient admissions to hospitals is made pursuant to the Diagnosis Related Groups (DRG) methodology. Similar to Medicare, which also uses a DRG methodology, Medi-Cal payment by DRG bases payments on patient acuity and hospital resources rather than length of stay. However, for the coverage gap identified by the author, the procedure is done on an outpatient basis and does not result in an inpatient stay; therefore, the procedure is not paid through the DRG methodology. The identified coverage gap is specific to services provided in an inpatient setting like an operating room, but on an outpatient basis, i.e., without a hospital admission.
- 3) **SUPPORT.** According to ACOG, the bill's sponsor, rates of follow-up visits after the end of pregnancy are unfortunately low. ACOG states between 40% and 75 % of those who claim they'll use an intrauterine device after giving birth fail to get one. ACOG asserts this bill will help California continue to lead in reproductive health care access by ensuring this effective contraception option is immediately available in the postpartum setting to patients who want it. ACCESS Reproductive Justice supports this bill, noting it reduces potential access barriers, including the need for an additional visit and potential loss of coverage postpartum.
- 4) **PREVIOUS LEGISLATION.** SB 1234 (Pan) of 2022 would have expanded eligibility for sexually transmitted disease-related services through the Family PACT Program to individuals not at risk for experiencing or causing an unintended pregnancy, and not in need of contraceptive services, and required related reporting. SB 1234 was vetoed based on concerns it expanded Family PACT services beyond the federal definition of family planning and would have put ongoing cost pressure on the General Fund.

## REGISTERED SUPPORT / OPPOSITION:

### Support

American College of Obstetricians and Gynecologists District IX (sponsor)  
Access Reproductive Justice  
National Health Law Program

### Opposition

None on file.

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