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## Risks and rewards of cheap childbirth

### Home births, discount card may cut out-of-pocket costs

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**SAN FRANCISCO (CBS.MW) -- Nearly all employer-sponsored insurance, as well as Medicaid, covers childbirth, although there can be costs that get passed on to policyholders.**

Smaller businesses trying to lower their premiums tend to cut corners on maternity coverage, requiring employees to make greater contributions. Self-employed people and others who buy insurance for themselves are even more likely to wind up without maternity coverage, given the premiums involved. [See Vital Signs.](#)

In an informal survey of 251 members of the paid birth announcement site BabiesOnline.com, about 92 percent said their insurance or Medicaid covered pregnancy. But more than half said they paid at least \$100 out of pocket. And 35 percent said they had to pay at least \$500 of the total childbirth costs.

About 31 percent said they made a co-payment for their recent birth, while about 23 percent paid a deductible. Only 11 percent said they'd already met their deductible and wound up paying nothing.

The average childbirth without complications costs about \$1,300, according to a recent report by the March of Dimes. But the prices can vary substantially by location: At the top of the spectrum is Manhattan, where hospitals like Weir/Cornell Medical Center charge an average of \$10,000 to \$12,000 for a childbirth without complications.

And when labor is complicated, prices can skyrocket: a birth involving a premature baby can hit \$75,000 due to lengthy hospital stays and specialized treatment.

"The analogy I like to use is that you can save money by not buying new tires and not having seatbelts, but that's not safe," says Dr. Amos Grunebaum, chief of labor and delivery at Weir/Cornell Medical Center. "I'm not saying you should pay more than you have to. But when you pay more, you get more conveniences, and maybe that means less waiting and more comfort."

### Lower-cost options

One of the simplest ways to save money on childbirth is to do it at home -- preferably with the professional help of a midwife or doula. With the exception of a few states, only complicated deliveries need to be performed in a hospital.

Warning signs that hospitalization might be needed: mothers with high blood pressure, diabetes, toxemia or obesity. A crucial forecast is the ultrasound, well worth the few hundred dollars it usually costs, although having more than one may be unnecessary if there are no indications of trouble.

Grunebaum concedes that midwives often provide more personal attention, especially because they make house calls. But he believes it's a good idea to supplement them with a doctor. He also feels that price concerns shouldn't be the sole criteria for choosing a midwife.

Still, midwives charge a fraction of what medical doctors do -- including sliding scales -- and additional savings can be reaped from not having to pay for hospital stays.

"Ninety percent of the time, mothers can have babies without any assistance whatsoever," says JoAnne Lindberg, president and founder of BirthLink.com, a Chicago-area midwives network. "Hospitals' interventions are often unnatural, and can make birthing more stressful."

Lindberg and other midwives argue that doctors induce labor more frequently than necessary, using the drug Pitocin, which often increases pain. "That slows your body down, especially if you have to take a pain reliever, and you end up on a cocktail of drugs. One intervention leads to another," says Lindberg.

Some midwives work in specialized clinics called "birthing centers," but most will come to the mother's home for the delivery. This option can improve privacy, reduce exposure to potent viruses (while pregnant, mothers produce antiviruses against many household pathogens), lessen the need for forceps and anesthesia and relax the patient so that labor ends up moving more swiftly.

Similar benefits are cited for doulas, who are akin to midwives but with more of an emphasis on labor support, both emotional and physical.

Before seeking out a midwife or doula, do some homework: the practitioners are regulated differently from one state to the next, and some localities only allow doctors to oversee deliveries. Insurance coverage also varies by location. Medicaid is more conservative on this front, providing reimbursements in only 10 states.

### Tapping the discount network

Regardless of what type of professional gets involved, uninsured patients end up with higher bills, since insurers negotiate wholesale discounts with health-care providers. But American Health Care Options has devised a way to make these savings accessible to more people.

The company's "Maternity Card" provides a way to save up to 60 percent on childbirth and fertility costs. The program isn't limited to the uninsured: Insured people can use the program to cover their deductibles or as an alternative to paying higher premiums. And the company promises customers that they don't have to fill out claims forms or deal with other bureaucratic hassles.

"We can get people the rates that a [prepaid provider option] would get, piggybacking on our national network of 450,000 hospitals and doctors," explains William Feller, founding member of MaternitySavings.com, a unit of American Health Care Options in Austin, Texas. "But we're not insurance. You can get insurance prior to getting pregnant, but once you are, it's like trying to get insurance for a house that's already burned down."

So far, about 2,500 people have used the Maternity Card since it became available 18 months ago.

The company charges \$100 plus \$99 monthly, with a guarantee of at least that much in savings -- if not, the company pays the difference between that threshold and medical costs, plus an extra \$200.

### Plan ahead

Childbirth decisions are best made way in advance, says Dr. John Nelson, president of the American Medical Association and a practicing obstetrician in Salt Lake City. The real challenge, in Nelson's eyes, is finding insurance coverage that is both comprehensive and affordable.

"You need to examine the options that are covered by your insurer," he says. "Make sure the hospital you want to go to is covered, and make sure that specialists like perinatologists [high-risk pregnancy specialists] and neonatologists [pediatricians for premature births] are covered."

"Home deliveries are for pizzas. The most important criteria should be finding someone the patient has confidence in, and someone who can communicate," he said.

Jackie Cohen is a reporter for CBS MarketWatch in San Francisco.

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