

THE COST OF FREE CONTRACEPTIVES

Policy brief for the Ministry of Labour, Health and Social Affairs of Georgia

WHO SHOULD BE COVERED, AND WHAT DOES IT COST?

This policy brief forecasts the cost of providing free contraceptives in Georgia in 2017-2019. The cost of providing free IUDs and oral contraceptives to two target populations are analysed; 1) Women in vulnerable groups (youth and targeted social assistance), and 2) All 15-49-year-old women.

SUMMARY

This policy brief forecasts the cost of providing free contraceptives in Georgia in 2017-2019. In scenario 1 free oral contraceptives (pills and consultations), and IUDs (device, insertion and control visits) are provided to the women in vulnerable groups (youth and targeted social assistance). According to the results, by 2019 there are 18,600 women using oral contraceptives (OCs) and 9,200 new intrauterine devices (IUDs) are inserted in the group. The 3-year total costs are 2.86 million GEL. In scenario 2 the same free services are provided to all 15-49-year-old women. The results suggest that by 2019 there are 129,700 women using OCs and 63,900 new IUDs are in the group. The 3-year total costs are 19.98 million GEL.

INTRODUCTION

High abortion rates are one of the key challenges of the health system in Georgia. Even though contraceptive prevalence rate has increased, a significant unmet need for modern contraceptive methods remains. The family planning services are not included in the state benefit package or private health insurances. In addition, contraceptives are not covered by the government.

The Government of Georgia is preparing for reorganization of the maternal & new born health and reproductive health services. This health economics policy brief supports these efforts by forecasting the costs of providing free contraceptives in two scenarios 2017-2019.

TARGET POPULATIONS

Scenario 1: Women in vulnerable groups. In the first scenario IUDs (device, insertion and control visits) and OCs (pills and consultations) are provided free of charge to all 15-24-year-old women and 25-49-year-old women receiving targeted social assistance. In **scenario 2: All women**, the same free services are provided to all 15-49-year-old women.

PROCUREMENT

UNFPA Procurement Services provides the Government access to WHO prequalified IUDs and OCs at significantly lower prices¹. In this analysis all IUD devices and OCs are procured through the UNFPA Procurement Services. The cost analysis is carried out from a healthcare payer's perspective and is based on the following products and parameters: IUD *TCu380A* at price 0.73 GEL per device, insertion 72.60 GEL^{2,3,4}, and annual control visits 25 GEL⁵.

RECOMMENDATIONS

1. Procure IUDs and oral contraceptives (OCs) through UNFPA Procurement Services.
2. Organize a public tender for the distribution of free contraceptives.
3. Provide free contraceptives first to the vulnerable groups.
4. Consider co-payments or voluntary insurance for OC consultations and IUD control visits.
5. Implement a budget impact analysis before making a decision to extend the free coverage for all women.

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OCs of which 70% are *Microgynon 30* at 7.48 GEL per woman per year, and 30% *Microlut 35* at 8.32 GEL per woman per year³.

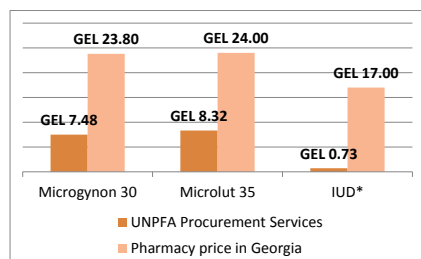


Figure 1: Prices of oral contraceptives, per woman per year. (IUD* = TCu380A vs Golden Lady)

The initial OC consultation is followed by consultations at 3 months and then every 12 months, costing 25 GEL per visit⁷. The free OCs are distributed through private pharmacies. It is assumed that the distribution costs are 10% of the prices of OCs.

CONTRACEPTIVE PREVALANCE

In both scenarios, the usage of IUDs is assumed to increase slightly from the current 11.7% to 12.9% of women in the target population in 2019⁸. The provision of free IUDs is assumed not to cause a substantial increase of

the IUD uptake. On the other hand, the provision of free OCs is assumed to increase the uptake of OCs significantly, rising from the current low 3.7% to 14.9% in 2019⁸. The current self-paying OC users are assumed to switch to free OCs in 2017. MoLHSA supports the scale-up with a three-year mass media campaign, as recommended in the National Maternal and New Born Health Strategy 2017-2030⁶. The campaign is a precondition for the OC uptake increase.

COST FORECAST

In **Scenario 1: Vulnerable groups**, the number of women using OCs grows from 4,600 in 2017 to 18,600 in 2019. The number of IUD users increases slightly from the current level. In total 9,200 new IUDs are inserted by 2019. Annual costs of MoLHSA increase from 0.48 million GEL in 2017 to 1.43 million GEL in 2019 (figure 2). The 3-year total costs are 2.86 million GEL.

In **Scenario 2: All women**, the number of women using OCs increases from 32,400 in 2017 to 129,700 in 2019. The number of women with an IUD increases slightly from the current level. In

total 63,900 new IUDs are inserted by 2019. The annual costs increase from 3.33 million GEL in 2017 to 9.95 million GEL in 2019 (figure 3). The 3-year total costs are 19.98 million GEL.

A breakdown of the annual costs in 2019 is shown in figure 4. The percentages are the same for both scenarios, as these are based on the same contraceptive prevalence and cost inputs. OCs account for 66% of the total costs; OC consultations (35%) and OC pills (31%). IUDs represent 34% of the total; IUD insertions (18%) and IUD control visits account for 51%. The cost of IUD devices is marginal (0.2%).

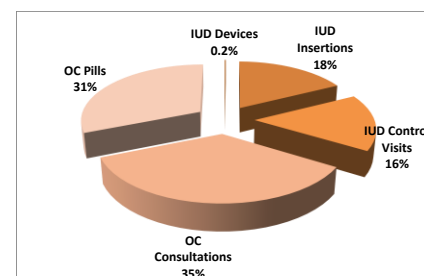


Figure 4: Breakdown of the annual costs in 2019 in scenarios 1 and 2.

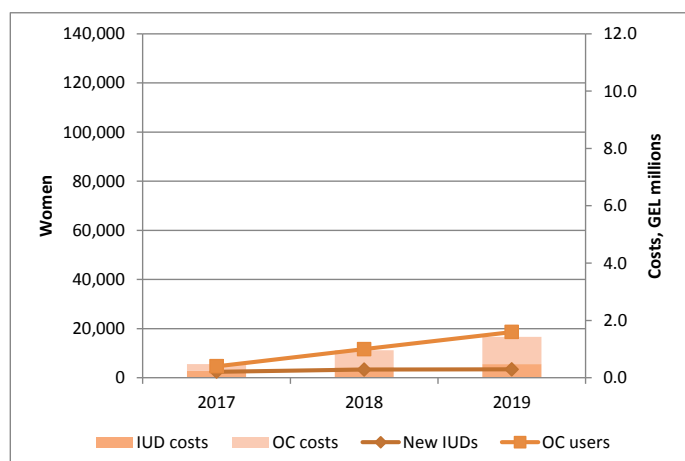


Figure 2: IUD and OCs users, and annual costs in scenario 1.

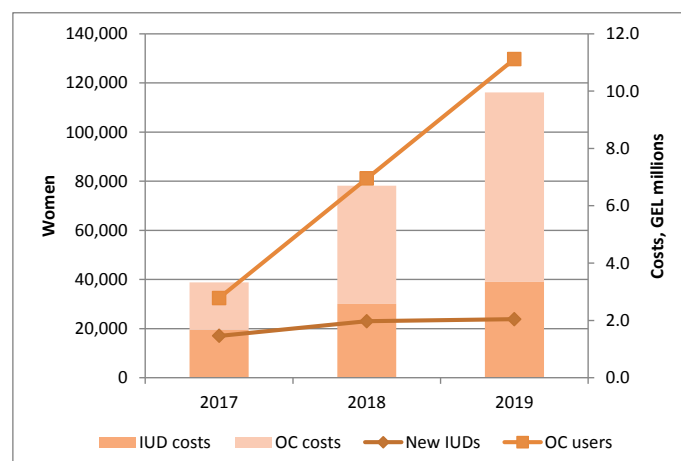


Figure 3: IUD and OCs users, and annual costs in scenario 2.

RECOMMENDATIONS

Here are recommendations of this health economic analysis:

- 1. Procure IUDs and OCs through UNFPA Procurement Services.** Through the service the Government can access WHO prequalified IUDs and OCs at significantly lower prices.
- 2. Organize a public tender for the distribution of free contraceptives** through private pharmacies.
- 3. Provide free contraceptives first to the vulnerable groups,** as these women are more likely to have financial barriers to accessing contraceptives.

4. Consider co-payments or voluntary health insurance for OC consultations and IUD control visits in scenario 2: All women. Together the OC consultations and IUD control visits account for 51% of the total cost in 2019. The co-payments or voluntary health insurance would reduce the budget impact of MoLHSA, while the free OC pills and free IUDs devices and insertions would still provide positive incentives to increase the uptake. OC consultations and IUD control visits should remain free for the vulnerable groups.

5. Consider implementing a budget impact analysis before extending the coverage of free contraceptives for all women. The larger scale option (Scenario 2) requires significantly more funds. Before making a policy decision on this, it is useful to assess the net impact of the policy by taking into account potential cost savings resulting from reduced abortions and the use of maternity services.

REFERENCES

- ¹ UNFPA Procurement Services. (2016). Retrieved from <http://www.unfpa.org/procurement-services>
- ² WHO/UNFPA. (2016). *TCu380A Intra-uterine Contraceptive Device (IUD). WHO/UNFPA Technical Specification and Prequalification Guidance 2016*. Retrieved from https://www.unfpa.org/sites/default/files/resource-pdf/TCu380A_IUD_WHO-UN-FPA_Tech_Spec_and_PQ_guidance_2016_final.pdf
- ³ UNFPA Product Catalog. (2016). Retrieved from <https://www.unfpaprocurement.org/products>. *Disclaimer: The prices do not include freight, insurance and handling fee, and are subject to change.*
- ⁴ Average price of IUD insertion in private clinics in Georgia in August 2016.
- ⁵ Average price of IUD control visit in private clinics in Georgia in August 2016.
- ⁶ MoLHSA/UNFPA. (2016). *National Maternal & New Born Health Strategy 2017-2030*. UNFPA (forthcoming).
- ⁷ Average price of oral contraceptive consultation in private clinics in Georgia in August 2016.
- ⁸ National Center for Disease Control and Public Health, et al. (2012). *Reproductive Health Survey Georgia 2010*. Retrieved from http://www.ncdc.ge/AttachedFiles/reproductive_health_survey_georgia_2010_0ac9423c-44f8-47a6-afa4-118953ab52de.pdf