



How Much Does Preterm Birth Cost the Nation?

Infant Mortality in the U.S.

In 2018, the U.S. had a historic low in its IMR at 5.67 per 1,000 infant births. However, the U.S. still has a long way to go. There are ongoing persistent disparities that exist between white infants and non-Hispanic Black, Native Hawaiians, and Other Pacific Islanders (NHOPI), American Indians and Alaska Natives (AIAN) infants. Infant mortality rates for Black births are at least two times the rates of white infants.

In 2018, the five leading causes of all infant deaths were congenital malformations (21% of infant deaths, preterm birth, and low birthweight (17%), maternal complications (6%), sudden infant death syndrome (SIDS) (6%) and unintentional injuries (5%). Infants of Black women had the highest mortality rates for preterm birth and low birthweight, maternal complications, and SIDS. Preterm birth is one of the leading causes of low birthweight. Moreover, infant born preterm birth and/or with a low birthweight are contributors to infant mortality. Because of these disparities, a focus and priority in perinatal health services on Black, Indigenous and people of color is warranted.

Impact of Preterm Birth and Low Birthweight

The most recent comprehensive analysis of the economic burden of preterm birth was conducted in 2005 by the Institute of Medicine. Overall, the total cost of preterm birth was \$26.2 billion, which was roughly \$51,600 per infant. Of the \$26.2 billion, \$16.9 billion was accounted for medical care and \$1.9 billion on maternal delivery cost (IOM, 2007). Kowlessar, Jiang and Steiner (2011) conducted an analysis of newborn hospital utilization in the U.S. Results of the analysis concluded that that very low birthweight infants had the highest average hospital cost of \$76,700, low birth weight at \$27,700, and pre-term birth \$21,500 compared to normal weight newborns \$3,200. In addition, the annual cost of neonatal intensive care unit hospitalizations was \$13.4 billion.

How Does the Cost Compare to a Healthy, Full-term Birth?

Compare those numbers to the cost of the birth of a healthy, full-term baby. According to the March of Dimes, the average medical cost for a healthy, full-term baby from birth through the first year is \$5,085, of which \$4,389 is paid by employer health plans. Their study, conducted in 2014, showed that the average cost of a premature and/or low birthweight baby was \$55,393, of which \$54,149 was paid by the health plan.

What Are the Other Costs and Impacts of Prematurity and Low Birthweight?

There are other costs besides medical with . According to the IOM report:

- \$611 million is spent on early intervention services, which are programs for children from birth to 3 years of age with disabilities and developmental delays.

- \$1.1 billion for special education services. These are for children ages 3-21 for help with development and learning.
- \$5.7 billion in lost work and pay for people born prematurely.

Says the March of Dimes, “Premature babies may have a harder time in school than babies born on time. They’re more likely to have learning and behavior problems throughout childhood. This may lead to low test scores, having to repeat grades and needing special education services.” The IOM says these services cost \$2,200 per year per child.

Lifelong Impacts

“Premature birth can affect a person’s being able to work, the amount of work he can do or both,” continues the March of Dimes. And some adults who were born prematurely may endure long-term health conditions that limit or prevent their working.

Disabled adults and children may receive benefits from the Social Security Income (SSI) program, another cost of premature birth and/or low birthweight. The costs are significant when one considers that the average person lives to be about 79. Those with long-term health problems caused by being a preterm baby could receive those benefits for many years, another cost to the nation.

What It Means

The costs of preterm and low birthweight births are huge! The impact on the health system, SSI benefits and special education program are paid for, in great part, by our tax dollars. This means that everyone needs to be concerned about racial and ethnic disparities in infant mortality, preterm births and low birthweight babies, as well as inequities in our health care system. Programs like Healthy Start are designed specifically to help ensure that all babies are born healthy and full-term and that moms don’t die as a result of pregnancy or childbirth.

See also Infant Mortality, Preterm Birth, Low Birthweight and Racial Disparities.

Resources:

Institute of Medicine (US) Committee on Understanding Premature Birth and Assuring Healthy Outcomes; Behrman RE, Butler AS, editors. Preterm Birth: Causes, Consequences, and Prevention. Washington (DC): National Academies Press (US); 2007. 12, Societal Costs of Preterm Birth. Available from: <https://www.ncbi.nlm.nih.gov/books/NBK11358/>

Kowlessar NM (Social & Scientific Systems, Inc.), Jiang HJ (AHRQ), and Steiner C (AHRQ). Hospital Stays for Newborns, 2011. HCUP Statistical Brief #163. October 2013. Agency for Healthcare Research and Quality, Rockville, MD. <http://www.hcup-us.ahrq.gov/reports/statbriefs/sb163.pdf>.

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March of Dimes, The Impact of Premature Birth on Society (2015), <https://www.marchofdimes.org/mission/the-economic-and-societal-costs.aspx>, accessed 03/15/21.

March of Dimes, Premature Babies Cost Employers \$12.7 Billion Annually (2014), <https://www.marchofdimes.org/news/premature-babies-cost-employers-127-billion-annually.aspx#:~:text=According%20to%20the%20March%20of%20Dimes%20,%20which,employer%20health%20plans,%20according%20to%20the%20new%20data>, accessed 03/15/21.