Department of Regulatory Agencies

Office of Policy, Research and Regulatory Reform

2010 Sunset Review: Teen Pregnancy and Dropout Prevention Program

October 15, 2010

Consumer Protection

Department of Regulatory Agencies

Executive Director's Office
Barbara J. Kelley
Executive Director

Bill Ritter, Jr.
Governor

October 15, 2010

Members of the Colorado General Assembly
c/o the Office of Legislative Legal Services
State Capitol Building
Denver, Colorado 80203

Dear Members of the General Assembly:

The mission of the Department of Regulatory Agencies (DORA) is consumer protection. As a part of the Executive Director's Office within DORA, the Office of Policy, Research and Regulatory Reform seeks to fulfill its statutorily mandated responsibility to conduct sunset reviews with a focus on protecting the health, safety and welfare of all Coloradans.

DORA has completed the evaluation of the Teen Pregnancy and Dropout Prevention Program. I am pleased to submit this written report, which will be the basis for my office's oral testimony before the 2011 legislative committee of reference. The report is submitted pursuant to section 24-34-104(8)(a), of the Colorado Revised Statutes (C.R.S.), which states in part:

> The department of regulatory agencies shall conduct an analysis of the performance of each division, board or agency or each function scheduled for termination under this section...
>
> The department of regulatory agencies shall submit a report and supporting materials to the office of legislative legal services no later than October 15 of the year preceding the date established for termination….

The report discusses the question of whether there is a need for the program provided under Part 6 of Article 5 of Title 25.5, C.R.S. The report also discusses the effectiveness of the Colorado Department of Health Care Policy and Financing staff in carrying out the intent of the statutes and makes recommendations for statutory changes in the event this program is continued by the General Assembly.

Sincerely,

Barbara J. Kelley
Executive Director

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2010 Sunset Review:
Teen Pregnancy and Dropout Prevention Program

Summary

What Is the Program?
The Teen Pregnancy and Dropout Prevention Program (Program) is a Medicaid-funded program in which the Department of Health Care Policy and Financing (HCPF) reimburses Medicaid providers for pregnancy prevention services provided to Medicaid-eligible teens.

What Is the Program's Purpose?
The purpose of the Program is to reduce the incidence of teen pregnancies and school dropouts by providing support to at-risk teens and teen parents.

Who Does the Program Serve?
Colorado has two providers that served 312 teens in fiscal year 09-10.

How Does the Program Work?
Any interested Medicaid provider may apply to the Program. An approved local provider must raise 10 percent of the funding from the community, either private or local government sources, in order to draw down the remaining 90 percent in federal funds.

What Does It Cost?
No state General Fund dollars and no state full-time equivalent employees are appropriated to the Program. In fiscal year 08-09, the total federal expenditures for the Program were $260,707.

Where Do I Get the Full Report?
The full sunset review can be found on the internet at: www.dora.state.co.us/opr/oprpublications.htm.

Key Recommendations

Continue the Teen Pregnancy and Dropout Prevention Program for five years, until 2016.
The Program is successful at fulfilling the intent of the statute which is to prevent teen pregnancies and, consequently, school dropouts. Considering the negative consequences for teen mothers and their children and the associated costs to society, an initiative to lower the rate of teen pregnancy is good public policy.

In order to demonstrate effectiveness, require providers to report data relevant to behaviors proven to prevent teen pregnancy.
In a report to the General Assembly this year, HCPF reported the number of pregnancies diagnosed for participants over four years. Unfortunately, any pregnancies caused by the male participants are not accounted for in the data, unless they were with female participants. While reporting the number of pregnancies among the female participants is important, it is only one side of the story. In order to measure effectiveness among all participants, providers should measure whether participants gained the knowledge and skills necessary to result in behaviors that are proven to reduce teen pregnancy, including:

- Postponing the first sexual encounter;
- Reducing the frequency of sexual intercourse;
- Reducing the number of sexual partners or maintaining monogamous relationships;
- Increasing the effective use of contraception; and
- Reducing the incidence of unprotected sex.

Amend the prohibition on the use of General Fund dollars to provide staff to properly implement and oversee the Program.
The current prohibition on the use of General Fund dollars obstructs HCPF from fulfilling the Program's full potential. If the General Assembly is serious about preventing teen pregnancies, it is only reasonable to allocate the resources necessary to do so.

Major Contacts Made During This Review

Colorado Association for School-Based Health Centers
Colorado Community Health Network
Colorado Department of Health Care Policy and Financing
Colorado Department of Public Health and Environment
Colorado Health Foundation
Colorado Organization for Latina Opportunity & Reproductive Rights
Colorado Youth Matter (formerly COAPPP)
Denver Health School-Based Health Centers
Genesis Program, Boulder County Public Health
Hilltop Community Resources, Inc.
Girls Inc., Metro Denver
The Healthy Colorado Youth Alliance
Montrose County Health and Human Services
WAIT Training

What is a Sunset Review?

A sunset review is a periodic assessment of state boards, programs, and functions to determine whether or not they should be continued by the legislature. Sunset reviews focus on creating the least restrictive form of regulation consistent with protecting the public. In formulating recommendations, sunset reviews consider the public's right to consistent, high quality professional or occupational services and the ability of businesses to exist and thrive in a competitive market, free from unnecessary regulation.

Sunset Reviews are Prepared by:
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Background

Introduction

Enacted in 1976, Colorado's sunset law was the first of its kind in the United States. A sunset provision repeals all or part of a law after a specific date, unless the legislature affirmatively acts to extend it. During the sunset review process, the Department of Regulatory Agencies (DORA) conducts a thorough evaluation of such programs based upon specific statutory criteria[1] and solicits diverse input from a broad spectrum of stakeholders including consumers, government agencies, public advocacy groups, and professional associations.

Sunset reviews are based on the following statutory criteria:

- Whether regulation by the agency is necessary to protect the public health, safety and welfare; whether the conditions which led to the initial regulation have changed; and whether other conditions have arisen which would warrant more, less or the same degree of regulation;
- If regulation is necessary, whether the existing statutes and regulations establish the least restrictive form of regulation consistent with the public interest, considering other available regulatory mechanisms and whether agency rules enhance the public interest and are within the scope of legislative intent;
- Whether the agency operates in the public interest and whether its operation is impeded or enhanced by existing statutes, rules, procedures and practices and any other circumstances, including budgetary, resource and personnel matters;
- Whether an analysis of agency operations indicates that the agency performs its statutory duties efficiently and effectively;
- Whether the composition of the agency's board or commission adequately represents the public interest and whether the agency encourages public participation in its decisions rather than participation only by the people it regulates;
- The economic impact of regulation and, if national economic information is not available, whether the agency stimulates or restricts competition;
- Whether complaint, investigation and disciplinary procedures adequately protect the public and whether final dispositions of complaints are in the public interest or self-serving to the profession;
- Whether the scope of practice of the regulated occupation contributes to the optimum utilization of personnel and whether entry requirements encourage affirmative action;
- Whether administrative and statutory changes are necessary to improve agency operations to enhance the public interest.

[1] Criteria may be found at § 24-34-104, C.R.S.

Not all of these criteria apply to sunset reviews of programs that do not regulate professions or occupations. However, DORA must still evaluate whether a program needs to exist to protect the public health, safety, and welfare; whether the level of regulation established for the program is the least restrictive consistent with the public interest; whether the state administers the program efficiently and effectively; and whether administrative and statutory changes are necessary to enhance the public interest.

Sunset Process

Programs scheduled for sunset review receive a comprehensive analysis. The review includes a thorough dialogue with agency officials and other stakeholders. Anyone can submit input on any upcoming sunrise or sunset review via DORA's website at: www.dora.state.co.us/pls/real/OPR_Review_Comments.Main.

The Teen Pregnancy and Dropout Prevention Program (Program) relating to Part 6 of Article 5 of Title 25.5, Colorado Revised Statutes (C.R.S.), shall terminate on July 1, 2011, unless continued by the General Assembly. During the year prior to this date, it is the duty of DORA to conduct an analysis and evaluation of the Program pursuant to section 24-34-104, C.R.S.

The purpose of this review is to determine whether the Program should be continued in the interests of the public and to evaluate the performance of the Department of Health Care Policy and Financing (HCPF). During this review, HCPF must demonstrate that the Program serves to reduce the incidence of teen pregnancy and school dropouts. DORA's findings and recommendations are submitted via this report to the legislative committee of reference of the Colorado General Assembly.

Methodology

As part of this review, DORA staff interviewed HCPF staff, interviewed officials with state and national professional associations, interviewed teen pregnancy prevention providers, interviewed experts in adolescent health and teen pregnancy prevention, reviewed Colorado statutes and HCPF rules, and reviewed the laws of other states.

Profile of Teen Pregnancy & Dropout Prevention

The United States has the highest teen pregnancy and birth rates in the industrialized world. In this country, 3 in 10 girls get pregnant at least once before the age of 20,[2] and 10 percent of all births in this country are to teens.[3]

[2] The National Campaign to Prevent Teen Pregnancy. *By the Numbers: The Public Costs of Teen Childbearing in Colorado.* November 2006. pp. 2 and 5.
[3] Guttmacher. *In Brief: Facts on American Teens' Sexual and Reproductive Health.* January 2010.

In Colorado during fiscal year 09-10, Medicaid paid for 4,409 births to girls under the age of 20, and, in that same year, the total Medicaid spending on healthcare for pregnant teens in Colorado was $31.2 million.

The average cost to Medicaid for all pregnancy-related healthcare provided to a girl under the age of 20 in fiscal year 09-10 was $7,074.

Teen pregnancy also costs taxpayers over the long term. Such costs are more difficult to quantify but include:[4]

- Public healthcare;
- Child welfare;
- Incarceration;
- Lost tax revenue (decreased earning and spending);
- Special education; and
- Juvenile justice.

Table 1 shows the number of teen pregnancies and births, and the estimated number of abortions and miscarriages in Colorado in 2005 (the most current data available).[5]

Table 1
2005 Colorado Teen Pregnancies and Births,
and Estimated Abortions and Miscarriages

	Under 15	15-17	18-19	Total
Pregnancies	220	3,710	7,130	11,060
Births	96	2,285	4,361	6,742
Abortions	100	880	1,720	2,700
Miscarriages	30	540	1,040	1,610

Source: K. Kost, S. Henshaw, & L. Carlin. (2010). U.S. Teenage Pregnancies, Births and Abortions: National and State Trends and Trends by Race and Ethnicity.

In 2005, 11,060 girls ages 10-19 became pregnant, of which approximately:

- 61 percent gave birth;
- 24 percent terminated the pregnancy; and
- 15 percent miscarried.

Statewide, births to teens aged 10 to 17 account for about one-third of all teen births.[6]

[4] The National Campaign to Prevent Teen Pregnancy. *By the Numbers: The Public Costs of Teen Childbearing in Colorado.* November 2006. pp. 3, 9, and 17.
[5] The number of abortions and miscarriages in Table 1 are estimates only, and the number of births, abortions and miscarriages do not add up to the total number of pregnancies in Table 1 due to the methodology employed by the researchers.
[6] Colorado Department of Public Health and Environment, Health Statistics Section, 2004-2008.

Table 2 shows the number of teen births in Colorado for girls, ages 10 to 19, from 2004 to 2008 and, to provide a 10-year comparison, in 1998.

Table 2
Colorado Births Ages 10-19

Year	Number of Births	Percent of Total Births	Birth Rate*
1998	7,178	12.1	25.4
2004	6,873	10.0	21.1
2005	6,738	9.7	20.6
2006	6,829	9.6	20.7
2007	6,754	9.4	20.3
2008	6,648	9.5	19.8
Five-Year Average 2004-2008	6,768	9.6	20.5

*Birth Rate is per 1,000 girls ages 10-17.
Source: Colorado Department of Public Health and Environment, Health Statistics Section

Overall, the statewide teen birth rate has dropped steadily over the last 10 years. However, that trend is not true for all counties in Colorado. Some counties are disproportionately affected by teen pregnancy.

Counter to the statewide trend, between 2005 and 2007, teen birth rates actually increased in 26 counties. Pueblo, Jefferson and Weld are among the counties that witnessed the greatest increases.[7]

Additionally, some counties have birth rates that are nearly double the statewide birth rate. Overall in Colorado, the birth rate for 15 to 19 year olds is 38.9 per 1,000 females. The counties with the highest birth rates in this age group are:[8]

- Otero (78.5);
- Prowers (75.6);
- San Juan (73.2);
- Rio Grande (70.5);
- Costilla (68.0);
- Denver (67.0);
- Morgan (66.0);
- Las Animas (65.6);
- Adams (64.5); and
- Lincoln (60.5).

[7] Colorado Organization on Adolescent Pregnancy, Parenting, and Prevention. *The State of Adolescent Sexual Health in Colorado 2009.*
[8] Colorado Organization on Adolescent Pregnancy, Parenting, and Prevention. *The State of Adolescent Sexual Health in Colorado 2009.*

Latina and African-American teens are also disproportionately affected by teen pregnancy. Latina teens in Colorado are three times as likely as non-Latina white teens to become pregnant and twice as likely as African-American teens. In Colorado, 10,840 girls age 15 to 19 became pregnant in 2005, approximately half of whom were Latina.[9]

Although data specific to Colorado are not available, nationally, teens in foster care make up another group that is disproportionately affected by teen pregnancy. Some studies have found that half of all teen girls in foster care have been pregnant at least once before age 19.[10]

Teen pregnancy has serious consequences for teen mothers, their children, and society in general.

Teen mothers are more likely to:

- Drop out of school;
- Remain unmarried; and
- Live in poverty.[11]

The rates of both infant and maternal mortality and illness are higher because teens have more complicated pregnancies. Some complications that pregnant teens are at risk for include:[12]

- Premature delivery;
- Significant anemia;
- Placenta previa;[13] and
- Preeclampsia.[14]

The younger the mother is, the more likely her baby will die before its first birthday. Babies of teen mothers are also at a higher risk of having developmental problems, and children of teen mothers are more likely to:[15]

- Live in poverty;
- Live in a single parent household;
- Experience abuse and neglect; and
- Enter the welfare system.

[9] K. Kost, S. Henshaw, & L. Carlin. (2010). U.S. Teenage Pregnancies, Births and Abortions: National and State Trends and Trends by Race and Ethnicity. Retrieved January 2010, from www.guttmacher.org/pubs/USTPtrends.pdf
[10] Colorado Organization on Adolescent Pregnancy, Parenting, and Prevention. *The State of Adolescent Sexual Health in Colorado 2009.*
[11] The National Campaign to Prevent Teen Pregnancy. *By the Numbers: The Public Costs of Teen Childbearing in Colorado.* November 2006.
[12] Medline Plus. *Adolescent Pregnancy.* Retrieved June 16, 2010, from http://www.nlm.nih.gov/medlineplus/print/ency/article/001516.htm
[13] Placenta previa: A condition, in which the placenta grows low in the uterus, covering or partially covering the cervix.
[14] Preeclampsia: A condition, also known as toxemia or pregnancy-induced hypertension, marked by high blood pressure and excess protein in the urine, which can be fatal.
[15] Medline Plus. *Adolescent Pregnancy.* Retrieved June 16, 2010, from http://www.nlm.nih.gov/medlineplus/print/ency/article/001516.htm

Children of teens are also more likely to become teen mothers themselves if they are girls and to be incarcerated if they are boys.[16]

According to a study by the National Women's Law Center, about one-third of girls who drop out of high school do so because of having a baby.[17]

Dropping out of high school significantly impacts a woman's earning power, even more so than it does a man's. On average, women who drop out earn $6,000 less each year than those who graduate from high school, and $9,100 less than men who drop out.[18]

Preventing teen pregnancy not only prevents the negative consequences of teen childbearing, it also helps to prevent abortion.

Teen pregnancy prevention programs may include:[19]

- Abstinence education programs, which encourage teens to postpone sexual activity;
- Knowledge-based programs, which educate teens about their bodies, contraceptives, and sexually transmitted diseases;
- Clinic-focused programs, often in school clinics, which provide counseling by healthcare professionals, information, and may provide contraception; and
- Peer counseling programs, which utilize older teens that encourage a younger population to resist pressure to become sexually active, and may teach relationship skills and offer information about contraceptive use.

Comprehensive sex education combines some of these elements to teach students about the benefits of abstinence, and about contraception and disease prevention methods.

Additionally, prevention efforts are focusing less on single issue prevention and more on the philosophy of positive youth development, which seeks to provide teens with, among other things:[20]

- Healthy adult mentors;
- Regular positive activities, such as mountain biking;
- A vision for the future, such as becoming a physicist; and
- Improved cognitive, emotional, social, and behavioral skills.

Positive youth development is not solely directed at preventing teen pregnancy or school dropouts but at helping teens to be more successful overall.

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[16] Medline Plus. *Adolescent Pregnancy.* Retrieved June 16, 2010, from http://www.nlm.nih.gov/medlineplus/print/ency/article/001516.htm

[17] National Women's Law Center. (2007). *When Girls Don't Graduate We All Fail: A Call to Improve High School Graduation Rates for Girls.* Washington D.C., p. 13.

[18] National Women's Law Center. (2007). *When Girls Don't Graduate We All Fail: A Call to Improve High School Graduation Rates for Girls.* Washington D.C., p. 8-9.

[19] Medline Plus. *Adolescent Pregnancy.* Retrieved June 16, 2010, from http://www.nlm.nih.gov/medlineplus/print/ency/article/001516.htm

[20] R. Catalano, M. Berglund, J. Ryan, H. Lonczak, J. Hawkins (2004), "Positive Youth Development in the United States: Research Findings on Evaluations of Positive Youth Development Programs," *The ANNALS of the American Academy of Political and Social Science* 591, p. 98-124.

Legal Framework

History of Regulation

In 1995, the General Assembly directed the Colorado Department of Health Care Policy and Financing (HCPF) to create a Teen Pregnancy and Dropout Prevention Pilot Program (Pilot Program), a Medicaid-funded program in which Medicaid providers are reimbursed for services.

The General Assembly created the Pilot Program because it found that the incidences of teen pregnancies in the state result in a significant impact on the state's medical assistance budget. Additionally, it found that teens who become parents are more likely to drop out of school and, as a result, frequently become an economic burden upon the public assistance programs of the state.[21]

The Pilot Program was to be funded only through federal and local or community funding sources. No state General Fund dollars were allowed.

HCPF reported to the General Assembly on the effectiveness of the Pilot Program in 1997, 2002, and 2005. The General Assembly subsequently continued the Pilot Program each time.

In 2006, the General Assembly repealed the word "pilot" from the organic statute and required another report from HCPF in 2010. Additionally, it directed that a sunset review be performed in 2010.

In 2007, the General Assembly added counseling on sexual abstinence and instruction concerning human sexuality in the description of services that may be provided. Additionally, it required that any instruction regarding human sexuality include science-based content standards consistent with House Bill 07-1292—a bill that established content standards for sex education in public schools.

Summary of the Statute

Part 6 of Article 5 of Title 25.5, Colorado Revised Statutes (C.R.S.), authorizes HCPF to create a statewide Teen Pregnancy and Dropout Prevention Program (Program). The Program is a Medicaid-funded program in which HCPF reimburses Medicaid providers for pregnancy prevention services for teens who are Medicaid recipients.[22]

[21] § 25.5-5-601, C.R.S.
[22] § 25.5-5-603(1), C.R.S.

The statute directs HCPF to base the Program on: [23]

- Community support and assistance;
- The percentage of births in a community funded by the state medical assistance program;
- Accurate methods for measuring the effectiveness of the Program; and
- The availability of additional federal funds and local or private funding.

HCPF may seek any necessary federal waivers.[24]

The purpose of the Program is to reduce the rate of teen pregnancies and school dropouts by providing support to at-risk[25] teens and teen parents who are Medicaid eligible.

Services may include, but are not limited to:[26]

- Intensive individual or group counseling, including a component on sexual abstinence;
- Public health services, such as home visits or visiting nurse services; and
- Instruction about human sexuality.

While the focus of the Program is pregnancy prevention, the statute does allow, although it does not require, dropout prevention services to be provided including vocational, health, and educational guidance.[27]

Any instruction about human sexuality must have science-based content standards consistent with section 22-1-110.5(5), C.R.S., as if the program were provided by a school district.[28]

[23] § 25.5-5-603(1), C.R.S.
[24] § 25.5-5-603(1), C.R.S.
[25] "At-risk" is defined in 25.5-5-602(1), C.R.S., as a person less than nineteen years of age who resides in a neighborhood in which there is a preponderance of poverty, unemployment and underemployment, substance abuse, crime, school dropouts, a significant public assistance population, teen pregnancies and teen parents, or other conditions that put families at risk.
[26] § 25.5-5-603(2)(b), C.R.S.
[27] § 25.5-5-603(2)(b)(II), C.R.S.
[28] § 25.5-5-603(2)(b)(IV), C.R.S.

According to section 22-1-110.5(5), C.R.S., the curriculum for any such instruction must:

- Encourage parental involvement and family communication;
- Emphasize abstinence and teach that sexual abstinence is the only certain and the most effective way to avoid pregnancy and sexually transmitted diseases and infections;
- Include discussion of how alcohol and drug use impairs responsible and healthy decision-making;
- Be age-appropriate, culturally sensitive, and medically accurate; and
- Provide instruction about the health benefits and potential side effects of using contraceptives and barrier methods to prevent pregnancy, including instruction regarding emergency contraception and the availability of contraceptive methods.

Additionally, section 22-1-110.5(5), C.R.S., requires the curriculum to teach students skills for making responsible and healthy decisions about human sexuality, personal power, boundary setting, and resisting peer pressure, including how to avoid:

- Receiving unwanted verbal, physical, and sexual advances;
- Making unwanted verbal, physical, and sexual advances; and
- Making assumptions about a person's supposed sexual intentions based on that person's appearance.

HCPF is authorized to develop incentives for teen parents who receive public assistance to become self-sufficient and to delay further pregnancies.[29]

No General Fund dollars may be used to finance the Program; only federal, local, or private funds are allowed.[30]

[29] § 25.5-5-603(2)(c), C.R.S.
[30] § 25.5-5-603(3), C.R.S.

Program Description and Administration

The Teen Pregnancy and Dropout Prevention Program (Program) aims to reduce teen pregnancies for at-risk youth by reimbursing Medicaid providers who provide pregnancy prevention services to teens who are Medicaid recipients. Medicaid funding does not reimburse for school dropout prevention services. The Program is funded using local dollars and matching federal Medicaid funds.

The General Assembly has not allocated any staff or funding to manage the Program.

Today, there are only two participating providers, one in Montrose County and the other in Mesa County. These two providers date back to the Teen Pregnancy and Dropout Prevention Pilot Program, and no other providers have endured in the Program since it transitioned from a pilot in 2006.

In 2007, the Department of Health Care Policy and Financing (HCPF) approved a provider in Weld County to participate in the Program; however, the provider withdrew after one year mostly due to lack of enrollment and subsequent problems with billing.

The hallmarks of the two existing providers are strong collaboration with other government and community programs and at least one other funding source that enables participation by non-Medicaid enrollees and spending on incentives, like recreational activities, food, and celebrations, to keep youth interested in participating.

Program Fiscal Information

The Program is funded using local dollars and matching Medicaid federal family planning dollars.

A provider must submit 10 percent of the estimated cost of its program to HCPF before the program starts. Once the program starts, the provider bills HCPF. The 90 percent matching funds are all federal Medicaid dollars. Payment is based on the number of teens participating in the program and the number of times the staff meets with each teen. Staff must meet with each teen at least three times a month in order to bill for that teen. Such meetings may be individual meetings, group meetings, or meetings with parents.

For the local dollars, the funding may come from local government, nonprofit or private sources. No state General Fund dollars are permitted to be used for the local funding.

Additionally, the General Assembly did not appropriate any General Fund dollars for HCPF to manage the Program. Accordingly, there are no full-time equivalent employees or funds dedicated to the Program.

Table 3 shows the number of teens that participated in the Program over the last five fiscal years.

Table 3
Number of Participating Teens

Fiscal Year	Montrose Teens	Mesa Teens	Program Total
05-06	158	171	329
06-07	140	181	321
07-08	123	174	297
08-09	141	152	293
09-10	137	175	312

The numbers in Table 3 only represent each fiscal year. Typically teens participate in the Program for more than a year, so totaling the five-year period would not provide an accurate count of the total participants over five years.

In both the Montrose and Mesa programs some teens only participate for a few months while others may spend years in the program. Typically teens participate for approximately one to two years in both programs.

Table 4 shows the federal Medicaid funding over the last five fiscal years for both providers.

Table 4
Federal Medicaid Expenditures

Fiscal Year	Montrose	Mesa	Total
05-06	$116,618	$103,354	$219,972
06-07	$106,788	$126,684	$233,472
07-08	$99,072	$122,148	$221,220
08-09	$114,048	$89,796	$203,844
09-10	$101,088	$98,658	$199,746
Total	**$537,614**	**$540,640**	**$1,078,254**

Federal expenditures for the Montrose program dropped in fiscal year 06-07 and then rose again in fiscal year 08-09 before dropping again in fiscal year 09-10. The Montrose program reported that the irregularity in funding may be due to inconsistency in staffing over the years which affected participation.

The federal expenditures for the Mesa program have also fluctuated considerably over the last five years. In 2007, teens from an alternative school and a residential facility joined, increasing the participation.

The Montrose program has five part-time staff members. The Mesa program has two full-time staff members and one part-time staff person.

Montrose County

The provider in Montrose County uses positive youth development techniques to teach high-risk boys and girls ages 10 to 18 the skills they need to make healthy decisions. Many of the teens in the Montrose program live in foster care.

The teen pregnancy prevention services provided include:

- Individual and group counseling;
- Family guidance and support; and
- Sexuality education.

The Montrose program uses “Power Through Choices,” in addition to other curricula, to teach sexuality education. “Power Through Choices” instructs teens on how to prevent pregnancies and sexually transmitted disease. The curriculum is tailored to the needs of teens living in group homes, foster homes, kinship foster care, or residential care; however, it is also appropriate for teens that are living with their parents.

Since “Power Through Choices” assumes a basic understanding of human reproductive anatomy, the Montrose program invites nurses from the local health department to teach it.

“Power Through Choices” objectives are to help teens to:

- Recognize and make choices related to sexual behavior;
- Build contraceptive knowledge;
- Develop and practice effective communication skills; and
- Learn to locate and use local resources.

The Montrose program helps teens develop self-esteem and teaches them:

- Communication skills;
- Respect; and
- Decision-making skills.

The provider uses other grant money to fund recreational activities, in addition to the counseling and guidance offered by staff. By providing healthy activities, the Montrose program offers teens alternatives to substance abuse and other antisocial activities, which help to prevent risky behavior that could lead to teen pregnancy.

All of the above are among the demonstrated best practices to help prevent both teen pregnancy and school dropouts.

The Montrose program works closely with other government and nonprofit organizations, including the school district. The Montrose program relies on such collaboration for referrals and to monitor participants' progress in school.

Parents of teens participating in the Montrose program sign a release form that allows staff to access participants' grades and attendance records, so that they can monitor the teens progress in school and intervene if needed. The Montrose program is committed to preventing school dropouts, in addition to teen pregnancy.

The Montrose program also uses alternative grant money to serve a non-Medicaid population.

Mesa County

The provider in Mesa County uses positive youth development techniques to teach boys and girls ages 10 to 19 the necessary skills to make responsible, healthy decisions. Like the program in Montrose, many of the teens in the Mesa program live in foster care.

The teen pregnancy prevention services provided include:

- Individual and group counseling, with a focus on teaching abstinence;
- Family guidance and support; and
- Sexuality education.

Teens that become sexually active are referred to a family planning clinic to receive counseling on contraception.

Like the program in Montrose, the Mesa program also uses "Power Through Choices" to teach sexuality education.

The Mesa program also works to prevent school dropouts by providing teens with at least one adult mentor who works to foster a healthy and supportive relationship that lasts long after they leave the program. The Mesa program provides education and guidance to families when needed.

The Mesa program educates teens about:

- Hygiene;
- Anger management;
- Healthy relationships; and
- Substance abuse prevention.

The provider uses other grant money to fund activities like basketball, volleyball, mountain biking, swimming, bowling, hiking, team building, and community service. By providing healthy activities, the Mesa program offers teens alternatives to substance abuse and other antisocial activities, which helps to prevent risky behavior that could lead to teen pregnancy.

Another positive youth development technique used in the program is to offer teens a vision of the future. In order to help teens plan for the future and make better choices, participants in the Mesa Program tour Mesa State College.

The Mesa program collaborates with the local school district, health department, human services, law enforcement, and other community organizations. The Mesa program relies on such collaboration for referrals, for problem-solving, and to monitor participants' progress in school.

Like the Montrose program, the Mesa program also uses alternative grant money to serve a non-Medicaid population.

Analysis and Recommendations

Recommendation 1 – Continue the Teen Pregnancy and Dropout Prevention Program for five years, until 2016.

The Teen Pregnancy and Dropout Prevention Program (Program) reimburses Medicaid providers for teen pregnancy prevention services. The Program is funded by matching local dollars with federal Medicaid family planning dollars. No General Fund dollars are permitted to be appropriated for the Program.

For a willing local community, a program that matches 10 percent local funds to 90 percent federal funds is a smart investment. Communities that do not have any teen pregnancy prevention initiatives may be able to leverage these dollars to create a program, and jurisdictions that already have teen pregnancy programs may be able to reallocate funds for other programs.

For the State, preventing teen pregnancy helps to alleviate the burden on taxpayers.

In fiscal year 09-10, pregnancy-related healthcare provided to Colorado teens cost Medicaid $31.2 million, and healthcare is not the only cost related to teen pregnancy.

Other costs are more difficult to quantify but include:[31]

- Public healthcare;
- Child welfare;
- Incarceration;
- Lost tax revenue (decreased earning and spending);
- Special education; and
- Juvenile justice.

In addition to the cost to tax payers, teen pregnancy has serious consequences for teen mothers and their children.

Teen mothers are more likely to:[32]

- Drop out of school;
- Remain unmarried; and
- Live in poverty.

[31] The National Campaign to Prevent Teen Pregnancy. *By the Numbers: The Public Costs of Teen Childbearing in Colorado.* November 2006. pp. 3, 9, and 17.
[32] The National Campaign to Prevent Teen Pregnancy. *By the Numbers: The Public Costs of Teen Childbearing in Colorado.* November 2006.

Babies of teen mothers are also at a higher risk of having developmental problems, and children of teen mothers are more likely to: [33]

- Live in poverty;
- Live in a single-parent household;
- Experience abuse and neglect; and
- Enter the welfare system.

Children of teens are also more likely to become teen mothers themselves if they are girls and to be incarcerated if they are boys.[34]

According to a study by the National Women's Law Center, about one-third of girls who drop out of high school do so because of having a baby.[35] This has serious consequences for the teen mother's future earnings and her family's future.

Considering the negative consequences for teen mothers, their children, and the associated costs to taxpayers and society, an initiative to lower the rate of teen pregnancy and school dropouts is good public policy.

Although the Program began as a pilot in 1995 and became a permanent government program in 2006, it currently only has two participating providers. While a government program with only two providers may seem insignificant, the two participating providers offer services to hundreds of Colorado teens each year.

According to Medicaid claims data, an average of two pregnancies per year was diagnosed for participants over a four-year period. Pregnancy rates are typically reported as the number of pregnancies per 1,000 females. The pregnancy rate for the participants, ages 13 to 20, in the Program was 22.7, and the pregnancy rate for Medicaid clients of the same age group was 30.0 in Montrose County and 32.1 in Mesa County. This suggests that the Program is successful at fulfilling the intent of the statute, which is to prevent teen pregnancies and consequently school dropouts.

Unfortunately, these data do not account for any pregnancies that may have been caused by male participants in the Program, unless the pregnancy was with another participant in the Program.

[33] Medline Plus. *Adolescent Pregnancy.* Retrieved June 16, 2010, from http://www.nlm.nih.gov/medlineplus/print/ency/article/001516.htm
[34] Medline Plus. *Adolescent Pregnancy.* Retrieved June 16, 2010, from http://www.nlm.nih.gov/medlineplus/print/ency/article/001516.htm
[35] National Women's Law Center. (2007). *When Girls Don't Graduate We All Fail: A Call to Improve High School Graduation Rates for Girls.* Washington D.C., p. 13.

This report recommends adequately staffing the Program in order to expand it to more providers and to improve oversight. It also recommends requiring the Department of Health Care Policy and Financing (HCPF) to gather different data to demonstrate effectiveness. Another sunset review should be performed to determine the effectiveness of these changes. Five years should be sufficient for HCPF to staff the Program and to expand it to more providers.

Therefore, the General Assembly should continue the Program for five years, until 2016.

Recommendation 2 – Require HCPF to collaborate with other government entities and nonprofit organizations to promote and expand the Program to more providers.

As demonstrated by the current providers, the Program has the potential to lower teen pregnancy rates in high risk communities.

However, the Program currently only has two participating providers, one in Mesa County and the other in Montrose County.

In Colorado, many counties are disproportionately affected by teen pregnancy. For instance, the birth rates in Otero, Prowers, Rio Grande, and San Juan are nearly double the statewide birth rate. These counties and others could benefit from the Program.

HCPF should expand the Program to more providers in counties where the need is greatest and help providers create effective local programs.

One way HCPF could promote the Program would be to enlist the help of the Colorado Department of Public Health and Environment (CDPHE). CDPHE has a Prevention Services Division with programs such as Family Planning; Prenatal Program; Prenatal Plus; Women, Infants and Children (commonly known as WIC); and the Nurse Home Visitor Program. These programs have staff with a rich source of information and contacts for teen pregnancy prevention.

Unfortunately, during the course of this sunset review, it became apparent that no one who works in these programs at CDPHE knew about the Program. Considering the Program has been in place in one form or another for 15 years, this is concerning.

HCPF should collaborate with CDPHE and nonprofit organizations to expand and create effective programs to prevent teen pregnancy.

Also, HCPF should collaborate with the Colorado Department of Education to improve collaboration between providers and school districts and to improve tracking participants' progress in school if they leave the area.

Therefore, the General Assembly should require HCPF to collaborate with other governmental entities and nonprofit organizations in order to promote and expand the Program to more providers.

Recommendation 3 – In order to demonstrate effectiveness, require providers to report data relevant to behaviors proven to prevent teen pregnancy.

In a report to the General Assembly this year, HCPF reported the number of pregnancies diagnosed for participants over four years. Unfortunately, any pregnancies caused by the male participants are not accounted for in the data, unless they were with female participants. While reporting the number of pregnancies among the female participants is important, it is only one side of the story.

One way that teen pregnancy programs measure effectiveness nationally is by looking at behaviors that are proven to reduce teen pregnancy. Such behaviors include:

- Postponing the first sexual encounter;
- Reducing the frequency of sexual intercourse;
- Reducing the number of sexual partners or maintaining monogamous relationships;
- Increasing the effective use of contraception; and
- Reducing the incidence of unprotected sex.

While a provider may not be able to track the actual behaviors, it could easily measure whether the students gained the knowledge and skills necessary to result in the above five behavioral changes.

To measure this, a provider should survey teens at the beginning of a program, at intervals during the program, and at the end of the program. In this way, a provider could measure how teens are incorporating the knowledge and skills they learn. From these surveys, a provider would be able to report relevant data to HCPF.

By gathering such data, HCPF would have additional measures to determine the effectiveness of the individual providers' programs and the overall Program.

The General Assembly should require HCPF to gather data from providers on the skills and knowledge gained that result in behaviors proven to reduce teen pregnancies. Additionally, the General Assembly should require HCPF to gather data on the number of pregnancies and school dropouts among program participants.

Recommendation 4 – Amend the prohibition on the use of General Fund dollars to provide staff to properly implement and oversee the Program.

By statute, no General Fund dollars are allocated to administer the Program, and no Medicaid funds are allowed to be used to cover administrative costs for the Program. Consequently, the Program is administered at the state level without adequate support.

Currently, the Program is run by one staff person at HCPF who manages the contracts. Additionally, staff sends out emails to local health departments in an attempt to find new providers. The Program is only one of the staff person's responsibilities, and not considered a priority.

The lack of staff allocated to the Program prevents it from fulfilling its purpose.

For the Program to expand to more providers, HCPF needs a consistent program manager, who will, in addition to the contract management and billing duties, expand the Program to more providers and help providers create effective local programs.

Further, a government program must be monitored to ensure funds are being used appropriately and are fully accounted for. However, the Program does not have adequate staffing to properly monitor it once it is expanded to more providers.

Since this report recommends expanding the Program to more providers, collaborating with other governmental and nonprofit entities, collecting more data, and providing effective oversight, some appropriation to administer the Program at the state level would be reasonable.

Preventing teen pregnancy is a good investment. By reducing the number of teen births, Colorado can help to ensure a better future for would-be teen mothers and their families. Additionally, prevention helps to reduce federal and state costs associated with teen pregnancy, such as public healthcare and child welfare.

The cost savings to Medicaid alone would justify the expenditure.

At this time, it is uncertain what level and how many full-time equivalent (FTE) employees would be necessary to oversee the Program. However, the annual cost, including benefits, of a General Professional II is $48,470, a General Professional III is $56,088, and a General Professional IV is $68,155.

The average cost of a teen pregnancy paid for by Medicaid, including prenatal care, labor, delivery, and postpartum care, is $7,074. While it is uncertain how many pregnancies may be prevented by the Program, if it prevents 100 pregnancies, it could save Medicaid a total of $707,400.

Since the federal government typically matches 50 percent of the State's Medicaid costs, approximately half of the savings would be state General Fund dollars. Therefore, one General Professional III could potentially save the State about $350,000.

This cost savings is only an estimate of what could possibly be saved by the Program, but it demonstrates that the benefit of staffing a position to manage the Program would most likely outweigh the cost.

Other savings that could be realized by preventing teen pregnancies are harder to quantify but include:

- Public healthcare;
- Child welfare;
- Incarceration;
- Lost tax revenue (decreased earning and spending);
- Special education; and
- Juvenile justice.

To be clear, this recommendation is not intended to repeal the prohibition against using General Fund dollars to pay for the 10 percent matching funds that are necessary to draw down the federal funding. This recommendation is only intended to cover the costs necessary for HCPF to implement the Program and to provide adequate oversight.

The Program has good potential. However, the current prohibition on the use of General Fund dollars obstructs HCPF from achieving it. If the General Assembly is serious about preventing teen pregnancies, it is only reasonable to allocate the resources necessary to do so.

Therefore, the General Assembly should permit HCPF to utilize some General Fund dollars for staff to oversee the Program, to perform outreach, to collect more data to demonstrate its effectiveness, and to coordinate with other state agencies and nonprofit organizations.