

# Hospital indemnity coverage helps prepare employees for childbirth expenses



Babies and bills: The happiest of events can also trigger a mountain of unexpected expenses for even the most prepared parents.

Nationally, the out-of-pocket costs of having a baby can be high. While an uncomplicated vaginal delivery demands \$2,854 on average, parents pay an average of \$3,214 out of pocket for a cesarean birth.<sup>1</sup> And that's assuming there are no immediate complications for the newborn or the mother.

## Not all parents face the same costs

Meanwhile, parents who are racial minorities face unique sets of risks and associated costs. Hispanic and Black mothers and families face greater risks for both health and finances. The Centers for Disease Control and Prevention found that while the overall chance of a woman in the U.S. dying in childbirth is 32.9 per 3,664,292 live births, that rate is more than double (69.9) for Black women.<sup>2</sup> Black families also have the toughest time covering medical bills, with 16.8% struggling to pay. More than 13% of Hispanic families struggle to pay medical bills.<sup>3</sup>

Risk factors for both mothers and babies are shifting and escalating. Teen birthrate is at an all-time low, but the birthrate for women in their late 30s and older is slowly but steadily rising.<sup>4</sup> And of the 3.66 million babies who arrive annually in the U.S., according to a 2023 report from the National Center for Health Statistics, just over 10% were born preterm.<sup>4</sup>

## Costs of childbirth go beyond the hospital

The frequency and intensity of services associated with pregnancy and childbirth can lead to considerable out-of-pocket expenses for new parents.<sup>1</sup> And all of that is just to get the baby delivered and home.

<sup>1</sup> Peterson-KFF Health System Tracker. "Health costs associated with pregnancy, childbirth, and postpartum care". Published 07.13.22. [Accessed 12.28.2023.](#)

<sup>2</sup> Center for Disease Control and Prevention. "Maternal Mortality Rates in the United States, 2021." Last reviewed 03.16.2023. [Accessed 12.28.2023.](#)

<sup>3</sup> Center for Disease Control and Prevention. "QuickStats: Percentage of Adults Who Were in Families Having Problems Paying Medical Bills During the Previous 12 Months, by Race and Selected Hispanic Origin Subgroups - National Health Interview Survey, United States, 2020-2021" Published 04.14.2023. [Accessed 12.28.2023.](#)

<sup>4</sup> National Center for Health Statistics. "National Center for Health Statistics. "Birth: Provisional Data for 2022." Published June 2023. [Accessed 12.28.2023.](#)



Even as they are paying for the cost of care, parents pay about \$16,000 in the baby's first year for necessities such as diapers (disposables cost \$76 a month).<sup>5</sup> And breastfeeding isn't free: It takes about \$571 to pay for a pump and supplies that enable a mother to continue nursing while returning to work.<sup>5</sup>

As a business leader, you can't take away all the stresses the new parents in your workforce are facing. The sleepless nights, the new wealth of worries, the uncertainty — those are going to be a part of your employees' lives for a while. But what you can do is offer them coverage that can help protect them from the high costs of health care, including their new bundle of joy. To learn more about how you can help protect your workforce, contact your Aflac benefits advisor today.



### **Aflac helps support new parents**

Both the high stakes and high cost of bringing a baby safely into the world can be mitigated with Aflac's hospital indemnity insurance. This type of coverage pays cash benefits to help with expenses not covered by health insurance. For new parents, that can mean anything from helping pay for hospital bills to covering diapers.

Though 73% of civilian employees do not have access to paid family leave, employers can still help them with the costs of welcoming babies in the form of insurance coverage such as a hospital indemnity plan from Aflac.<sup>6</sup> Policies that help cover aspects of care that new parents often overlook can take some of the financial sting out of new parenthood. For instance, benefits to help cover anesthesia if a new mother is among the 32.1% nationally who deliver by cesarean section<sup>7</sup> could help offer peace of mind. Aflac policies can help new parents cover these types of expenses.

The Newborns' and Mothers' Health Protection Act (passed in 1996) dictates coverage baselines for hospital stays for both mothers and newborns.<sup>8</sup> Benefits provided through Aflac can help cover newborn care, screenings and even chiropractic care allowing new parents to get care that best fits their circumstances and concerns.

**Are you interested in offering hospital indemnity insurance to your employees? Contact your Aflac benefits advisor or visit [Aflac.com/business](https://www.aflac.com/business).**

<sup>5</sup> BabyCenter. "First-Year Baby Costs Calculator." Updated 09.02.2022. [Accessed 12.28.2023](#).

<sup>6</sup> U.S. Bureau of Labor Statistics. "What data does the BLS publish on family leave?" Modified 9.23.2023. [Accessed 12.28.2023](#).

<sup>7</sup> Center for Disease Control and Prevention. "National Center for Health Statistics" Last reviewed 11.08.2023. [Accessed 12.28.2023](#).

<sup>8</sup> U.S. Department of Labor. "Newborns' and Mothers' Protections." Legislation passed in 1966." [Accessed 12.28.2023](#).

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