

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.¹ 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 17.4 per 100,000 live births, that rate is more than double (37.3) for Black women.² Black families also have the toughest time covering medical bills, with 20.6% struggling to pay.³ Childbirth risks are lower than average for Hispanic women, at 11.8 deaths per 100,000 live births,² but 15.6% of Hispanic families struggle to pay medical bills.³

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.⁴ And of the 3.75 million babies who arrive annually in the U.S., according to a 2020 report from the National Center for Health Statistics, just over 10% were born preterm.⁴

Costs of childbirth go beyond the hospital

The costs are inescapable: 98% of women who give birth spend money out-of-pocket.¹ And all of that is just to get the baby delivered and home.

¹ Peterson-KFF Health System Tracker. "Health costs associated with pregnancy, childbirth, and postpartum care". Published 07.13.22. [Accessed 12.28.2022.](#)

² Centers for Disease Control and Prevention. "Maternal Mortality." Last reviewed February 2022. [Accessed 12.28.2022.](#)

³ Centers for Disease Control and Prevention. "Problems Paying Medical Bills, 2018." Published February 2020. [Accessed 12.28.2022.](#)

⁴ National Center for Health Statistics. "Births: Provisional Data for 2021." Published May 2022. [Accessed 12.28.2022.](#)



Even as they are paying for the cost of care, parents pay about \$15,000 in the baby's first year for necessities such as diapers (disposables cost \$70 a month).⁹ And breastfeeding isn't free: It takes about \$555 to pay for a pump and supplies that enable a mother to continue nursing while returning to work.⁹

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 77% of 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.⁵ 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 via cesarean section⁶ could help offer peace of mind. Epidural anesthesia, which numbs a laboring mother from the waist down, was used for 60% of all births in 2015.⁷ 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.⁸ 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).

⁵ U.S. Bureau of Labor Statistics. "What data does the BLS publish on family leave?" Modified 9.23.2021. [Accessed 12.28.2022](#).

⁶ Centers for Disease Control and Prevention. "Birth Data." Last reviewed 12.06.2022. [Accessed 12.28.2022](#).

⁷ Society for Obstetric Anesthesia and Perinatology. Published August 2021. [Accessed 12.28.2022](#).

⁸ U.S. Department of Labor. "The Newborns' and Mothers' Health Protection Act." Legislation passed in 1996. [Accessed 12.28.2022](#).

⁹ BabyCenter. "First-Year Baby Costs Calculator." Updated 09.02.2022. [Accessed 12.28.2022](#).

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Hospital Indemnity: In Idaho, Policies A49100ID–A49400ID and A4910HID; or Policies B40100ID & B4010HID. In Oklahoma, Policies A49100OK–A49400OK and A4910HOK; or Policies B40100OK & B4010HOK. In Virginia, Policies A49100VAR–A49400VAR and A4910HVAR; or Policies B40100VA & B4010HVA. Aflac coverage mentioned herein provides a brief overview only. Coverage may not be available in all states. Benefits/premium rates may vary based on state and plan levels. Optional riders may be available at an additional cost. Policies/riders have limitations and exclusions that may affect benefits payable. For complete details, including availability and costs, please contact your local Aflac benefits advisor.

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