Net Cost Analysis: Human Donor Breast Milk

Eligible Population

- Low birth weight infants (< 1500 grams)
- Infants who are medically or physically unable to receive maternal breast milk or participate in breast feeding, or
- Mother is medically or physically unable to produce maternal breast milk at all or in sufficient quantities, or
- Mother is unable to participate in breast feeding despite optimal lactation support

	FY2021	FY2022	FY2023
Estimated total low birth weight births	905	923	941

Donor milk and hospital payments

- Hospital payments cover all non-physician services provided to hospital inpatients (per diem)
- Human donor milk is “covered” under the hospital payment
- Not separately reimbursed
- Special case

Costs of the intervention

- Hospitals obtain the milk including storage and distribution to the newborn
  - Estimated ~$5.00 per ounce
  - Estimated mean of 80-100 ounces per newborn
  - Assume gradual increase from 30%->40%->50% of births

	FY2021	FY2022	FY2023
Total milk cost	$135,711	$184,567	$235,323

Offsetting Savings

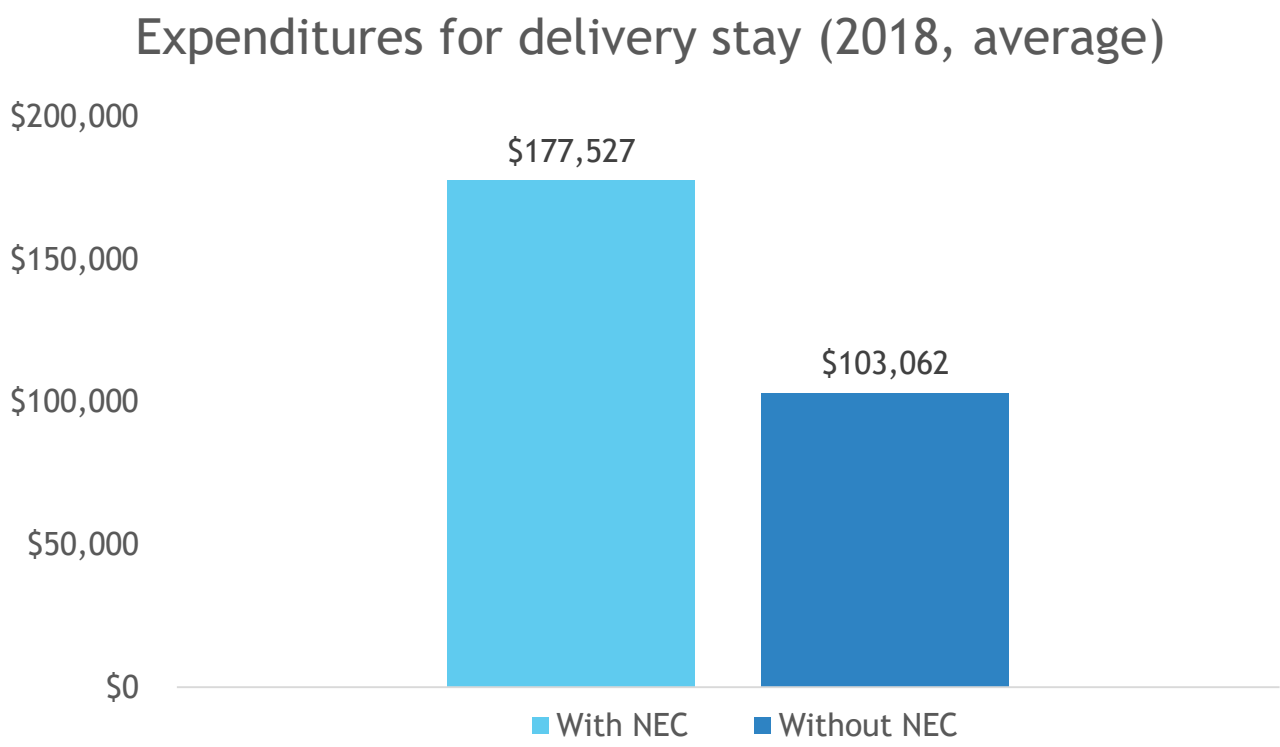
- Reduces incidence of necrotizing enterocolitis by approx. 46%
- Overall incidence is 6.9% (2016-2018 data)

	FY2021	FY2022	FY2023
Cases of NEC avoided	9	12	15

- Source: Quigley M, Embleton ND, McGuire W. Formula versus donor breast milk for feeding preterm or low birth weight infants. Cochrane Database Syst Rev. 2018 Jun 20;6:CD002971.

Offsetting Savings

- NEC is a very bad outcome and also very expensive



- Difference: ($74,465)

Offsetting Savings

- Reduces overall cost due to avoidance of NEC
- (Does not account for potential reductions in excess hospital days due to non-NEC feeding intolerance)

	FY2021	FY2022	FY2023
Cases of NEC avoided	($644,496)	($876,514)	($1,117,556)

Net Cost Analysis

- Cost of the donor milk minus the offsetting savings

	FY2021	FY2022	FY2023
Net cost	($509,130)	($692,416)	($882,831)

QUESTIONS
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