Raising the Bar | FOR MOMS & BABIES

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Improving Access to and Payment for Maternity Care in Community Settings

Operational Guidance

Why

Medicaid and commercial health coverage is designed to support a hospital-based model of maternity care, comprising a specific number of prenatal visits with an obstetrician, family doctor or licensed midwife, labor and birth in a hospital setting, and one six-week postpartum visit. However, there is a growing body of evidence showing a correlation between birthing in community settings and improved outcomes, particularly for Black and Brown birthing people, for whom the current maternal morbidity and mortality rate is significantly higher than their white counterparts. Birthing in community settings generally involves a team-based approach to care, with clinical services led by a midwife, often supported by doulas and other perinatal health workers, and patients laboring and giving birth in birth centers or at home.

Despite the success of birthing in community settings, it is often not an accessible or affordable option for many birthing people. First, some states do not license all categories of midwives, and most do not recognize birth centers. Medicaid – which covers approximately 40 percent of births in the U.S. – does allow states the option to cover midwifery care and doula support, as well as birth center deliveries, to the extent that states recognize them. However, not all states have taken up these options, and even when they do, the reimbursement rates for these providers and services are not considered adequate by the field. As a result, many do not accept Medicaid coverage, which contributes to a shortage of providers, and a reduced viability of birth centers, that when combined ultimately creates greater inaccessibility for a large portion of the birthing population.

Health care payers and providers should use their positions to develop, advocate for, and implement policies that serve to support birthing in community settings, thereby creating greater opportunities for birthing people to choose the provider, care team, and birth setting that align with their preferences and needs.

How

There are numerous strategies to re-align financing in such a way that will meaningfully support birthing in community settings and expand affordable access to these options. All of these processes require participation by a broad set of players, depending on the policy change and goal. These include state policymakers, Medicaid leadership, Medicaid Managed Care Organizations (MCOs), the midwifery, birth center, doula, behavioral health, and perinatal health worker communities, hospitals and health systems, federally qualified health centers (FQHCs), community-based organizations, and foundations.

While the steps below are geared toward state Medicaid agencies, they are also generalizable to commercial purchaser and payer efforts as well. Commercial purchasers and payers have an important role to play in driving the availability of community birthing options within their own sector of business, but also as advocates for greater coverage of these options by Medicaid in general.

This document focuses on appropriate steps to support efforts to seek the following Medicaid reimbursement policies that are oriented toward supporting birthing in community settings[1]:

- Recognize all nationally-recognized midwifery licensures and address and remove barriers to equitable reimbursement for their services.
- Eliminate "incident to" billing, and require direct billing, for all services provided by midwives to allow for accurate reimbursement and evaluation of cost and quality of care.
- Establish reimbursement parity between physicians and midwives, when billing for the same service, to address the current differential fee schedules.
- Remove barriers that restrict availability of and access to free standing birth centers. These barriers include lack of Medicaid reimbursement, Certificate of Need requirements, non-recognition of all three national midwifery licenses, requiring a physician clinical director, and requiring written agreements with physicians and with hospitals. These barriers are described in more detail in the National Partnership for Women & Families report Improving Our Maternity Care Now Through Community Birth Settings.

The operational steps described below are organized according to specific strategies and tactics that will help achieve these policy goals. Recognizing that organizations are at different places in their journey toward addressing health inequities in maternity care, this resource is designed as a roadmap that starts anywhere depending on the work already accomplished. Please note that these policy changes are complex to implement and the steps below do not comprise the entirety of those needed to achieve these changes. This resource should be viewed as a high-level roadmap to the more expansive, detailed resources available to accomplish these policies.

Considerations to Support and Sustain Coverage and Reimbursement for Birthing in Community Settings.

- **Consult Comprehensive Toolkits Available to Guide This Process**

  Reforming Medicaid payment – either to cover providers/services in general, or to address inequities in reimbursement – is not a linear process, nor is there one stakeholder involved. The following two resources offer comprehensive toolkits that address the multiple audiences, processes, settings, and methodologies that advance the objective of expanding Medicaid to support the community-based maternity model.

  - ☐ The National Academy for State Health Policy's Expanding the Perinatal Workforce Through Medicaid Coverage of Doula and Midwifery Services provides information on the following:
    - Raising Awareness of the Role of Doulas and Midwives in Advancing Health Outcomes
    - Conducting Outreach and Engagement
    - Identifying Community Assets, Engaging the Provider Community, and Building Infrastructure
    - Forming or Supporting a Doula Commission or Workgroup
    - Exploring the Potential Value of a Pilot Program
    - Identifying Funding Sources
    - Developing Training, Licensing, and Certification Guidelines and Build Provider Capacity
    - Establishing Education and Licensure Requirements for Midwives
    - Determining the Structure and Define the Scope of the Medicaid Benefit
    - Outlining the Reimbursement Structure and Create the Medicaid Billing Structure
    - Implementing the Medicaid Benefit
    - Building and Sustaining a Diverse Workforce
    - Monitoring and Evaluating Quality Improvement and Outcomes and Address Barriers to Care
  - ☐ The Institute for Medicaid Innovation's Opportunities to Advance Midwifery-Led Models of Care: A Checklist for Medicaid Stakeholders serves as both a checklist of actions, as well as an environmental scan of the types of stakeholders necessary to advance the community-based maternity model in Medicaid. Critical stakeholders to involve in the process include:
    - Community Members with lived experiences
    - Midwives
    - Physicians
    - Hospital Facilities
    - Freestanding Birth Centers
    - State Medicaid Agencies
    - State Legislatures

- Accrediting Organizations
- Medicaid Managed Care Organizations
- State Health Departments
- Educational Institutions
- Advocacy Organizations
- Federal Agencies
- Private Investors and Philanthropies

Practical Guidance on Distinct Processes/Elements of Payment Reform

Understand the Regulatory and Accreditation Environment

Each state has its own regulatory and accreditation requirements that dictate the scope of midwifery practice, as well as birth center operations. Similarly, Medicaid has its own regulatory requirements that dictate reimbursement for midwives, birth centers, and doulas. Whether you are representing a state Medicaid agency, an MCO, a midwifery practice, birth center, or doula organization, knowing the legal landscape is critical to assessing the options for establishing reimbursement parity or other policies.

☐ Consult resources created by stakeholder advocacy organizations to gain a thorough understanding of the regulatory landscape. These include

- General
  - The Purchaser Business Group on Health's Transform Maternity Project offers a range of resources addressing multiple audiences and strategies. These include A Hospital Guide to Integrating the Freestanding Birth Center Model, Building Maternity Bundles: Lessons Learned, How to Successfully Integrate Midwives into your Practice, and others.
- Midwifery
  - The Institute for Medicaid Innovation's Improving Maternal Health Access, Coverage, and Outcomes in Medicaid: A Resource for State Medicaid Agencies and Medicaid Managed Care Organizations offers a wealth of practical knowledge and concrete steps designed to advance the goal of expanding midwifery coverage and access to the Medicaid population.
- Birth Centers
  - The American Association of Birth Centers' Best Practices in Birth Center Regulations: A Toolkit for State Policy Makers and Advocates, provides information on birth center licensure, Commission for Accreditation of Birth Centers (CABC) accreditation, common barriers to state licensure, and best practices for model regulation implementation.

- Doulas
  - The National Health Law Program's (NHELP) Doula Medicaid Project provides a host of resources to help stakeholders achieve the goal of Medicaid coverage for the full spectrum of doula care.

☐ Consult resources to understand your state's Certificate of Need (CON) laws as they pertain to availability of autonomous practice options for certified and licensed midwives and accredited and licensed freestanding birth centers.

■ **Understand the State-Level Process to Change Medicaid Reimbursement – in Policy and Practice**

☐ Achieving adequate coverage and reimbursement for midwifery and/or birth centers through Medicaid often requires legislative action at the state level. Several resources are available that offer model legislative text that can be used to support related advocacy:

- American College of Nurse Midwives Sample reimbursement equity bill

☐ Be familiar with current Medicaid reimbursement policies by state for midwives, doulas, and birth centers:

- Midwife Medicaid Reimbursement Policies by State
- State Medicaid Approaches to Doula Service Benefits
- Enhanced Medicaid Support for Out-of-Hospital Births Could Protect Moms and Babies and Reduce Hospital Strain

■ **Understand the Medicaid Managed Care Organization Contracting Process to Push for Adequate Reimbursement**

72 percent of Medicaid beneficiaries across 41 states are enrolled in comprehensive managed care organizations (MCOs).[2] Understanding how the MCO contracting process can be used to improve reimbursement for, and subsequent access to, midwives, birth centers, and doulas, is a powerful lever for stakeholders.

☐ State Medicaid agencies that partake in the MCO contract procurement process can create requirements for MCOs to meet in order to contract with the state to deliver care to Medicaid beneficiaries.

- Become aware of your state's timing for releasing a Request for Proposal (RFP) to MCOs, and how to advocate for what services should be required of MCO plans if awarded a Medicaid contract. Some states have used this process to require that MCOs contract with specific types of providers, including midwives, to address maternal and infant health disparities. The Maternal Health Hub contains a briefer on this subject which can be accessed here.

☐ Consult resources specific to the MCO contract procurement process in relation to addressing health equity:

- Medicaid Managed Care Opportunities to Promote Health Equity in Primary Care

- **Explore Additional Opportunities**

  Advocate for CMS to implement stronger requirements for their Birthing-Friendly Hospital Designation. CMS currently awards this designation to hospitals that attest to participating in national or statewide quality collaboratives and attest to carrying out a maternal health quality improvement program. While these are important first steps, simply attesting to activities without demonstrating concrete improvements in practices and outcomes is too low a bar to be meaningful. To obtain a Birthing-Friendly Hospital Designation hospitals should be required to demonstrate significant improvements in care quality and in outcomes for birthing people and newborns. Once this designation criteria is strengthened, it should be expanded to include free-standing birth centers to reflect the importance of this setting as a high-quality option for labor and birth.

- Explore options for using Medicaid 1115 waivers and State Plan Amendments to expand access to community-based maternity care providers and services. This Medicaid Waiver Tracker is regularly updated to reflect approved and pending Section 1115 waivers by state and by service, including waivers for postpartum coverage and services.

- Seek funding for doula training and reimbursement. While supplemental funding available through the Health Resources and Services Administration' Health Start Initiative: Eliminating Disparities in Perinatal Health has now been granted, funding opportunities options such as this one – to increase the availability of doulas in Health Start service areas, and expand access to care during pregnancy, birth, and at least three months post-partum – are important to track.

Endnotes

[1] https://q952a3.p3cdn1.secureserver.net/wp-content/uploads/2022/12/2020-IMI-Improving_Maternal_Health_Access_Coverage_and_Outcomes-Report.pdf

[2] https://www.kff.org/other/state-indicator/total-medicaid-mco-enrollment/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

Find detailed recommendations and more resources at **nationalpartnership.org/raisingthebar**

ABOUT HEALTH CARE TRANSFORMATION TASK FORCE

Health Care Transformation Task Force is a unique collaboration of patients, payers, providers, purchasers, and partners working to lead a sweeping transformation of the health care system. By transitioning to value-based models that support the Triple Aim of better health, better care and lower costs, the Task Force is committed to accelerating the transformation to value in health care. To learn more, visit WWW.HCTTF.ORG.

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