# Medicaid Cost Savings 2015 Certified Direct-Entry Midwives in the State of Alaska

#### 1-Cost savings due to lower reimbursement rates for CDMs compared to hospital providers:

Total vaginal births attended by CDMs\*:

Percentage paid by Medicaid:

35.4%

Total Medicaid births by CDMs 2015\*

Medicaid payment per birth for CDM\*\*:

Medicaid payment for low risk hospital birth:

\$3171

Medicaid costs savings from CDM Out-of-Hospital births in 2015: \$694,848.00

### 2-Cost savings due to lower cesarean surgery rates.

Cesarean surgery rate CDMs 2015*	4.50%
Cesarean surgery rate of low risk women in AK hospitals***	20.7%
Estimated number of medicaid c-sections prevented 2015	36.7
Cost difference per birth between c-sec & CDM birth	\$4630

Medicaid cost savings from cesarean prevention in low risk women \$170,113.60

Total estimate of cost savings for birth services to Medicaid program 2015:

## \$864,961

These estimates are consistent with many studies showing licensed and certified midwives are safe and reduce costs. This study from <a href="The Department of Health of Washington State estimated licensed midwives saved their health care system \$2.7 million dollars a year.">million dollars a year.</a>

#### http://www.washingtonmidwives.org/articles/doh-cost-benefit-analysis.html

<sup>\*</sup>MANAstats, a national database of out-of-hospital birth statistics. Submission of birth data into this database is mandatory for CDMs in the State of Alaska.

<sup>\*\*</sup> medicaidalaska.com

<sup>\*\*\*</sup>CDC statistics https://www.cdc.gov/nchs/data/nvsr/nvsr63/nvsr63 06.pdf