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*:	619
Percentage paid by Medicaid:	35.4%
Total Medicaid births by CDMs 2015*	219
Medicaid payment per birth for CDM**:	$1168
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 The Department of Health of Washington State estimated licensed midwives saved their health care system *$2.7 million dollars* a year.

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

*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.
** medicaidalaska.com
***CDC statistics https://www.cdc.gov/nchs/data/nvsr/nvsr63/nvsr63_06.pdf