

**HB**

**10**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 10, 1999

FURTHER REFERRALS:

Date of Committee Action: 2/10/99

The FINANCE Committee considered:

HB 10

HOUSE BILL NO. 10

EXTEND CERTIFIED DIRECT-ENTRY MIDWIVES BD

"An Act extending the termination date of the Board of Certified Direct-Entry Midwives; and providing for an effective date."

recommends it be replaced with the following committee substitute \_\_\_\_\_  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal note(s) \_\_\_\_\_  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) DCED 2/10/99

SIGNING WITH RECOMMENDATIONS	DP	DNF	NR	AM
<i>Care Theriault</i> Theriault	X			
<i>Mike Mulder</i> Mulder	/	/		
<i>Tom Bunde</i> Bunde	/			
<i>Vic Kohring</i> Kohring	X			
<i>J. Davies</i> J. Davies	X			
<i>grussindorf</i> grussindorf	X			
<i>J. Davis</i> J. Davis	X			
<i>Williams</i> Williams	X			

CHAIR'S SIGNATURE *Care Theriault* *Mike Mulder*  
Theriault mulder

# FISCAL NOTE

Bill Version: HB 10

(H) Publish Date: 2/10/99

**STATE OF ALASKA  
1999 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected Commerce & Econ Dev.  
 Title An Act extending the termination of the BRU Occupational Licensing  
Board of Certified Direct-Entry Midwives Component Occupational Licensing  
 Sponsor Representative Hudson  
 Requester House Health, Education and Social Services Component Serial No. 2360

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY99) cost: 12.6

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

HB 10 extends the Board of Certified Direct-Entry Midwives to June 30, 2003. Funding for continuation of the board in the amount of \$12.6 is included in the department's FY 2000 operating budget request; therefore, new funds are not needed. The program is required to cover its costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs.

Prepared by Jennifer Strickler, Administrative Manager Phone 465-2144  
 Division Occupational Licensing Date/Time 2/3/99 1:46 PM  
 Approved by Commissioner Deborah B. Sedwick Date 2/3/99  
 Agency Commerce & Economic Development

**COMMITTEE COPY**

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BOARD COSTS  
INFORMATION

HB 10				
DIRECT COSTS			Total	AVG
FY:	97	98	DIRECT	ANNUAL
				COSTS
Personal Services	11.3	6.7	18.0	9.0
Travel;	0.7	2.6	3.3	1.7
Contractual Services	1.6	2.3	3.9	2.0
Commodities	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0
	13.6	11.6	25.2	12.6

## House Bill 10: Extending the Termination Date of the Board of Direct-Entry Midwives 1999-2003

In spite of some current confusion about the intricacies of "economy of scale" in licensing Certified Direct-Entry Midwives (CDM's), Alaska remains, remarkably, among the forerunners in a worldwide movement to establish the Midwifery Model of Care as a safe and economical alternative choice to the medical model.

If you are familiar with this subject, you know that:

Alaska's infant mortality rate is even higher than the national average which ranks 22<sup>nd</sup> among developed nations.

Increasing the use of midwifery services improves birth outcomes considerably.

The five nations with the lowest infant mortality use midwives for 70% of their births, while midwives in the US attend only 5% of our births.

Immediate savings to the existing Medicaid program will result from using a birthing alternative that costs less than half of the medical model.

Alaska loves its midwives; the legislature has overwhelmingly supported the establishment of a CDM licensing board (1992), the intention to provide Medicaid funding to CDM services (1993) and the funding of Medicaid Reimbursement to CDMs.

Last year during the review of Senate Bill 238, the "Sunset Bill" for the CDM board, there was discussion over the high cost of licensing fees, currently \$1550 for a two-year period. The auditors were concerned that higher fees might serve as a barrier to those trying to enter the profession and that no one seemed to have any suggestions for remedying the situation.

One obvious remedy was the passing of last year's HB 459 which moved CDM's into a position to receive third party reimbursement in the form of Medicaid funding, accomplishing the following:

Begin the process of saving Medicaid funds for the state – an estimated 57% or more per birth. Each year there are 4500 pregnant women eligible for Medicaid who currently have access *only* to the medical model.

Improve birth outcomes by lowering infant mortality.

Provide economic incentive for more midwives seeking licensure – thus removing the current restraint of trade situation.

With growing numbers of CDM's, the price per license will drop.

Public awareness of the profession will make it more difficult for unlicensed practitioners to find work, thereby cutting down on enforcement costs.

The nations noted above with the most successful maternal and child health care programs have the following in common:

Early and continuous pre-natal care. (In AK, the Midwifery Model of Care)

Universal health coverage. (In AK, Medicaid for low income families)

Reciprocity between the midwifery and medical communities. (In AK, two of the five CDM Board members are medical professionals.)

Passing House Bill 10 will go a long way toward ensuring these conditions for Alaskan families. Fostering a population of healthy infants born to healthy mothers is a win-win situation for everyone. The Midwifery Model of Care promotes family bonding as well as individual responsibility. Statistically, midwifery saves lives and will continue to save the State of Alaska increasing amounts of money. CDM's have willingly borne the high costs of licensure in order to sustain their regulated status and allow their profession to grow. Extending the termination date of the Board of Certified Direct-Entry Midwives until June 30<sup>th</sup>, 2003 will ensure the continued growth of this valued profession in Alaska.

Prepared by: Marilyn Holmes, Citizens for Midwifery and Secretary of the Board of Direct-Entry Midwives.

# Alaska State Legislature



Representative Bill Hudson

State Capitol  
Juneau, Alaska  
99801-1182  
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Committees:  
Chair  
Fisheries  
Utilities Restructuring  
Member  
Transportation  
State Affairs

## SPONSOR STATEMENT

### HB 10: BOARD OF CERTIFIED DIRECT-ENTRY MIDWIVES

Ch. 130, SLA 1992 established the Board of Certified Direct Entry Midwives (CDM's). HB 10, if enacted, would extend the board operation for another 4 years to June 30, 2003.

The duties of this regulating board include; examining applicants and issuing certificates to qualified applicants, issuing permits to apprentice direct entry midwives, reporting annually to the Governor and the Department, and approving curricula and adopting standards for basic education, training and apprentice programs.

Alaska's infant mortality rate is even higher than the national average which ranks 22<sup>nd</sup> among developed nations. Increasing the use of midwifery services has been shown to improve birth outcomes considerably. The legislature, in a strong move of support last session, moved midwifery services up on the Medicaid eligibility list. This new listing will insure that these important services, which cost less than half of the Medical Model, will be funded.

Alaska is currently among the forerunners in the worldwide movement to establish a Midwifery Model of Care as an alternative choice to the Medical Model. The board is currently in its wind down year, so if this board is to continue its work, HB 10 must pass this session.

# FISCAL NOTE

**STATE OF ALASKA**  
**1999 LEGISLATIVE SESSION**

**BILL NO. HB 10**

Revision Date/Time (Note if correction) _____	Dept. Affected <u>Commerce &amp; Econ Dev.</u>
Title <u>An Act extending the termination of the</u>	BRU <u>Occupational Licensing</u>
<u>Board of Certified Direct-Entry Midwives</u>	Component <u>Occupational Licensing</u>
Sponsor <u>Representative Hudson</u>	
Requester <u>House Health, Education and Social Services</u>	Component Serial No. <u>2360</u>

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

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Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
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<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY99) cost: 12.6

**POSITIONS**

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Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 HB 10 extends the Board of Certified Direct-Entry Midwives to June 30, 2003. Funding for continuation of the board in the amount of \$12.6 is included in the department's FY 2000 operating budget request; therefore, new funds are not needed. The program is required to cover its costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs.

Prepared by <u>Jennifer Strickler, Administrative Manager</u>	Phone <u>465-2144</u>
Division <u>Occupational Licensing</u>	Date/Time <u>2/3/99 1:46 PM</u>
Approved by Commissioner <u>Deborah B. Sedwick</u>	Date <u>2/3/99</u>
Agency <u>Commerce &amp; Economic Development</u>	

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**BOARD COSTS  
INFORMATION**

<b>HB 10</b>				
<b>DIRECT COSTS</b>			<b>Total</b>	<b>AVG</b>
<b>FY:</b>	<b>97</b>	<b>98</b>	<b>DIRECT</b>	<b>ANNUAL</b>
				<b>COSTS</b>
Personal Services	11.3	6.7	18.0	9.0
Trave;	0.7	2.6	3.3	1.7
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Equipment	0.0	0.0	0.0	0.0
	13.6	11.6	25.2	12.6

## Midwifery in the United States

Midwives are recognized throughout the world as the most appropriate maternity care provider for most women. Midwifery licensure and scope of practice in the United States is regulated by individual state laws. The following three categories of professional midwives are recognized in the United States:

### Direct-Entry Midwives

"Direct-entry" midwives, who are licensed in some states, are not required to become nurses before training to be midwives. The Midwifery Education and Accreditation Council (MEAC) is currently accrediting direct-entry midwifery educational programs and apprenticeships in the United States. Direct-entry midwives' legal status varies according to state, and they practice most often in birth centers and in homes.

### Certified Professional Midwives

Certified Professional Midwives (CPMs) may gain their midwifery education through a variety of routes. They must have their midwifery skills and experience evaluated through the North American Registry of Midwives (NARM) certification process and pass the NARM Written Examination and Skills Assessment. The legal status of these nationally credentialed direct-entry midwives varies from state to state. In some of the states where they are also individually licensed, midwives' services are reimbursable through Medicaid and private insurance carriers.

### Certified Nurse-Midwives

Certified Nurse-Midwives (CNMs) are educated in both nursing and midwifery. After attending an educational program accredited by the American College of Nurse-Midwives Certification Council (ACC), they must pass the ACC examination and can be licensed in the individual states in which they practice. Certified nurse midwives practice most often in hospitals



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#### *For more information contact:*

Midwives' Alliance of North America  
PO Box 175 • Newton, KS 67114  
316-283-4543

North American Registry of Midwives  
PO Box 41705 • Nashville, TN 37204  
615-964-3996

Midwifery Education  
and Accreditation Council  
Drawer SSS • Taos, NM 87571  
505-758-1216

American College of Nurse-Midwives  
1522 K Street • Suite 1000  
Washington, DC 20005  
202-298-0171

Kaye Kanne, CDM  
PO Box 22707  
Juneau, AK 99802  
(907)586-1203

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# *What Is A Midwife?*



© Ina May Gaskin

*A Midwife is  
recognized throughout  
the world as the most  
appropriate maternity  
care provider for  
most women.*

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## A Midwife is . . .

. . . a trained professional who offers expert care, education, counseling and support to a woman and her newborn during the childbearing cycle. The midwife works with each woman and her family to identify their unique physical, social, and emotional needs. In addition, many midwives provide well-woman gynecological care and family planning services. Midwives know how to watch for and identify potential or actual complications, and they can provide emergency treatment until additional assistance is available.

## What do Midwives do?

Midwives offer:

- prenatal care that promotes informed decision-making;
- choice of birth place;
- education and counseling;
- labor support, birth and postpartum care;
- support for bonding;
- examination and evaluation of the newborn;
- breastfeeding support;
- counseling in early parenting; and
- well-woman care.

## Midwifery Care: Division of Expertise

Midwives are experts on normal birth; obstetricians are experts on difficult or surgical births. This division of responsibility between two strong and respected professions creates the best conditions for optimal birth care.

## Midwifery care is cost-effective

Midwifery fees are typically one-third less than fees for comparable services provided by physicians; midwifery care saves money without sacrificing quality or safety.

## Midwives provide personalized care

Women want more than technological care during pregnancy and birth. Midwives encourage participation by family members and provide continuous support during labor and birth. Midwives trust the birth process and affirm each individual woman's ability to give birth.

## Midwives encourage informed choices

Midwives encourage women and their families to take an active part in their own health care. Pregnancy is an ideal time to educate mothers about nutrition, healthful birth practices, breastfeeding, and infant care.



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## Midwifery care offers choice of birth places

Midwives practice in homes, birth centers and hospitals. Midwives support the right of parents to choose the birthplace that best suits their needs.

## Midwifery care makes a difference

Midwives worldwide have an excellent record of safety with numerous studies associating midwifery care with excellent outcomes. The five nations with the world's lowest infant mortality and lowest rates of technological intervention have midwives attending 70 percent of all births without a physician in the birth room.

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• On May 28 Florida's four gubernatorial candidates took part in a forum on meeting the needs of Baby Boomers and their aging parents and of patients and families facing terminal illness. Sponsored by the Tallahassee-based Commission on Aging with Dignity, the session focused on four key issues: meeting and financing long-term care needs of the early 21<sup>st</sup> Century; improving the system of care for the seriously ill (hospice, palliative care, pain management, advance directives); helping families care for the elderly at home; and addressing the legalization of assisted suicide or euthanasia. For details, call (850) 681-2010.

## Behavioral Health

### .08 "Carrot"

Congressional conferees have scrapped a provision of the \$211 billion highway bill that would have required states to adopt a .08 percent blood alcohol content standard or lose a share of federal highway funds. Reflecting NCSL's argument against using sanctions to exact compliance with a national standard, the compromise agreed to on May 18 instead offers states with the .08 standard (15 already have such laws) a "carrot," in the form of a share of a \$500 million pot for highway construction.

### Taking on Hollywood

Arizona's Department of Health Services will take its antismoking message into theaters, with six different "cinema spots" intended "to counter Hollywood's glamorization of tobacco." One spot promotes a tobacco-cessation hotline, while another targets pregnant women; others focus on spit tobacco and cigars. By June, according to a DHS release, the spots will be shown on 401 screens at 50 theaters statewide. Citing research documenting a larger role for tobacco in the movies in the 1990s, particularly among lead actors and actresses, DHS director James Allen said "the silver screen has become a smokescreen, with tobacco users frequently portrayed as powerful, in control, exciting and rebellious." That image is "particularly dangerous," he said, "because of the enormous impact of popular culture on our children."

### Psychiatric Patients & Violence

Discharged mental patients who do not show signs of alcohol or drug abuse are about as safe as their nonpatient neighbors, concluded the *MacArthur Violence Risk Assessment Study*. Using data collected from police, psychiatric hospitals, patients themselves and family members, investigators followed 951 patients from Pittsburgh, Pennsylvania; Kansas City, Missouri; and Worcester, Massachusetts for a year following their hospital discharge. "There is a strong tendency for the general public to treat all people discharged from psychiatric facilities as if they were the same," study director Henry Steadman of New York-based Policy Research Associates said in a release. But, he added, important distinctions can be made among the patients—including whether they are abusing alcohol or illegal drugs—and can be "very useful in assessing which patients are at an increased risk of committing violent acts against others." For details, call (518) 439-7415.

### Study on Health Benefits

The cost of behavioral health care benefits has been slashed 670 percent compared to costs for general health benefits over the past ten years, according to *Health Care Plan Design and Cost Trends: 1988 Through 1997* by the Hay Group, a Washington, D.C.-based benefits consulting firm. Commissioned by groups including the National Alliance for the Mentally Ill, the study also found that the value of behavioral health benefits has declined by 54 percent, compared to 7 percent for general care. According to Clarke Ross, executive director of the American Managed Behavioral Healthcare Association, however, more than 20 studies contradict the Hay Group findings. In the Nov. 12, 1997 issue of the *Journal of the American Medical Association*, for example, the California-based RAND Corp. concluded that costs for 24 carve out plans "are lower [due to] reduced hospitalization rates, a relative shift to outpatient care and reduced payments per service ... [while] access to mental health specialty care increased" to 7 percent of enrollees, compared with 6.5 percent under fee-for-service plans.

## Primary Care

### Overworked Residents

Physicians-in-training in New York hospitals work hours that far exceed the limits set by the state Health Department, according to survey results released by the department on May 18. Despite regulations limiting working hours to no more than 80 hours per week over a four-week period, unannounced inspections of 12 teaching hospitals found that 37 percent of all residents exceeded the regulatory limits. Among surgical residents, 77 percent in New York City hospitals and 32 percent upstate worked more than 95 hours per week. "We have sent a copy of our findings to all hospitals in the state and put them on notice that unannounced state inspections will continue," Health Commissioner Barbara DeBuono said in a release. "Prompt action will be taken against any hospital found out of compliance," she promised. For more, call (518) 474-7354.

### Midwives & Birth Outcomes

Certified nurse midwives have an "excellent" track record for birth outcomes—even better than physicians—and "provide a safe and viability alternative to maternity care, particularly for low- and moderate-risk women," according to a study published in the *May Journal of Epidemiology and Community Health*. After adjusting for a variety of social and medical risk factors, the study—conducted by the National Center for Health Statistics—found that the risk of infant death was 19 percent lower when a certified nurse midwife attended the birth than when a doctor was in attendance; in addition, neonatal mortality (deaths occurring during the first 28 days of life) was 33 percent lower and the risk of delivering a low birthweight infant was 31 percent lower when a midwife attended the delivery. The study looked at 3.9 million single vaginal births at 35 to 43 weeks gestation; higher-risk Caesarian deliveries and multiple births were not included. Overall, 94.7 percent of births in the U.S. in 1991 (the study year) were attended by physicians, compared with 4.1 percent by certified nurse midwives.

CERTIFIED DIRECT ENTRY MIDWIVES  
FINANCIAL OVERVIEW  
FY 96 - FY 99

Midfees.xls/08/98  
Last Printed: 1/29/99  
CURR1

Certified Direct Entry Midwives		(PJ:28009/LC:08000153/154/155)					
Based on CURRENT FEES							
COST OVERVIEW:		FY 97	FY 98	FY 97/98 Total	FY 98/99 PROJECTION	FY 98/99 Projection	
OCCUPATION Direct Expenses		4,194	2,596	6,792	Total FY 97 + FY 98	6,792	
PROGRAM Direct Expenses		9,470	8,797	18,267	Total FY 97 + FY 98	18,267	
DIVISION Indirect Expenses		1,222	938	2,160	FY 98 x 2 years	1,876	
<b>Sub-Total Expenses:</b>		<b>14,886</b>	<b>12,333</b>	<b>27,219</b>		<b>26,935</b>	
<b>Cost Savings Adjustments</b>		(See below for explanation)				<b>-262</b>	
<b>Expense Adjustments</b>		ASCO Misc. Costs (\$66.0) x 2 years			133,200	0.06%	80
<b>Direct Program Increment Expenses</b>	FY 96-FY 98				0	0	0
<b>TOTAL EXPENSES:</b>		<b>14,886</b>	<b>12,333</b>	<b>27,219</b>	<b>Projected Expenses:</b>	<b>26,753</b>	
<b>TOTAL REVENUE:</b>		<b>22,790</b>	<b>5,025</b>	<b>27,815</b>	<b>Projected Revenue:</b>	<b>30,550</b>	
<b>EXPENSES Less REVENUE:</b>		<b>7,904</b>	<b>-7,308</b>	<b>596</b>	<b>Projected Exp less Rev:</b>	<b>3,797</b>	
<b>Roll-Forward Tracking:</b>	0	<b>7,904</b>	<b>-7,308</b>	<b>596</b>	<b>0% Roll Forward Applied:</b>	<b>0</b>	
					<b>PROJECTED BALANCE:</b>	<b>3,797</b>	
					<b>PROJECTED ROLL FORWARD:</b>	<b>3,797</b>	
<b>A) Cost Savings Adjustments consists of:</b>							
- Reduce One-time Computer Equipment Purchase							
\$185,479.65 x program percentage 0.06%, x 2 yrs	222.58	111.29	yr.				
- INDIRECT CLEAR Registration fees (FY 97)							
\$8,100 x pgm percentage 0.06%, x 2 yrs	9.72	4.86	yr.				
- Hearing Examiner cost savings (FY 96/97)							
\$50,263.00 x program percentage 0.06%	30.16						
	\$ 262.46						



DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
OCCUPATIONAL LICENSING

BUDGET REPORT FOR THE BOARD OF DIRECT ENTRY MIDWIVES

As of December 4, 1998

Direct Entry Midwives (In Thousands)		FISCAL YEAR 1995	FISCAL YEAR 1996	FISCAL YEAR 1997	FISCAL YEAR 1998
PERSONAL SERVICES EXPENSES (71000)	Direct	16.7	16.5	11.0	6.7
	Indirect	0.5	0.5	0.7	0.7
	<b>Total:</b>	<b>\$17.2</b>	<b>\$16.0</b>	<b>\$11.7</b>	<b>\$7.4</b>
Personal service expenses are employee salaries and benefits. In Fiscal Year 1994 the Division began using detailed time sheets to record actual time spent on the various licensing areas.					
TRAVEL EXPENSES (72000)	Direct	1.4	2.3	0.7	2.0
	Indirect	0.0	0.0	0.0	0.0
	<b>Total:</b>	<b>\$1.4</b>	<b>\$2.3</b>	<b>\$0.7</b>	<b>\$2.6</b>
Travel expenses include transportation, food and lodging for board meetings, complaint investigations, disciplinary hearings and national meetings.					
CONTRACTUAL SERVICES EXPENSES (73000)	Direct	19.4	1.1	1.1	2.0
	Indirect	0.2	0.1	0.3	0.2
	<b>Total:</b>	<b>\$19.6</b>	<b>\$1.2</b>	<b>\$1.4</b>	<b>\$2.5</b>
Contractual services are services purchased from sources outside the Division and include telephone calls, postage, expert witnesses and Department of Law legal work, and other costs.					
SUPPLIES EXPENSES (74000)	Direct	0.3	0.0	0.0	0.0
	Indirect	0.0	0.0	0.0	0.0
	<b>Total:</b>	<b>\$0.3</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
Supply expenses include paper, envelopes, cassette tapes, and other office supplies.					
EQUIPMENT EXPENSES(75000)	Direct	0.0	0.0	0.0	0.0
	Indirect	0.0	0.0	0.1	0.0
	<b>Total:</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.1</b>	<b>\$0.1</b>
Equipment expenses include purchase and repair of computers, software, copy machines, telephones and other office equipment.					
<b>Total Direct:</b>		<b>\$37.8</b>	<b>\$18.9</b>	<b>\$12.8</b>	<b>\$11.6</b>
<b>Total Indirect:</b>		<b>\$0.7</b>	<b>\$0.6</b>	<b>\$1.1</b>	<b>\$1.0</b>
<b>TOTAL EXPENSES:</b>		<b>\$38.5</b>	<b>\$19.5</b>	<b>\$13.9</b>	<b>\$12.6</b>
<b>TOTAL REVENUE:</b>		<b>12.0</b>	<b>4.2</b>	<b>22.8</b>	<b>5.0</b>
<b>BALANCE (Revenue - Expenses) :</b>		<b>(\$26.5)</b>	<b>(\$15.3)</b>	<b>\$8.9</b>	<b>(\$7.6)</b>

This chart shows the figures in the state accounting system on the day the chart was prepared.

Some bills are not received and entered in the system for several months after the expense occurs.

Direct costs are expenditures which can be specifically attributed to distinct occupations. Indirect costs are collective expenses which are shared equally by all division license holders on a per capita basis.

Fiscal Years for Alaska's state government begin July 1 and end June 30.

Figures are in thousands of dollars and are rounded to the nearest hundred. For example, \$1.3 means \$1,300.00.

Date: February 2 1999

Total Pages: 1

▶ PLEASE DELIVER IMMEDIATELY

TO All Legislators

FAX 465 2273 PHONE 3

# FAX

Dear legislators

M  
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I support the Bill 10 to retain the midwifery board. They are a necessary representation for direct entry midwives. I support our licensing fees so we can have a board that is not biased.

Thank you,  
Dorothy M. Davis DM

FROM \_\_\_\_\_

FAX \_\_\_\_\_ PHONE \_\_\_\_\_

# FAX

FEB 03 1999

# Mat-Su Midwifery

2650 Broadview Ave., Wasilla, AK 99654  
907-373-3420 fax 907-376-7847

February 2, 1999

Dear Representative Hudson:

I support continuing the Midwifery Licensing Board. I am a licensed midwife and believe midwifery is profession that is growing. I believe the Board is a viable and-effective means of governing the profession. Even though our licensing fees are high the Board is self supporting.

Please support our efforts to extend the Licensing Board. Please support House Bill 10, not only in behalf of the profession, but for the sake of the families choosing to use midwives for their pregnancy and childbearing care.

Sincerely,

Melissa A. Mayo, CDM

FEB 03 1999

*Sharon K. Evans*  
PO Box 140028, Anchorage, AK 99514  
907-373-3420

February 2, 1999

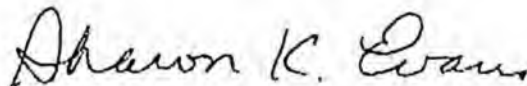
Dear Representative Hudson:

I am writing in support of the continuance of the Midwifery Licensing Board. As a licensed midwife, I believe having a Licensing Board is a viable, cost-effective means of governing our profession. Even though our licensing fees are high, I feel it is worth it to have a Board that is self-supporting.

As a parent and grandmother, I see the importance of midwives continuing to be held accountable to the Licensing Board as well as to one another. This is extremely important for the protection of the Alaskan public.

Please support our efforts to extend the Licensing Board. Please support House Bill 10, not only in behalf of the profession, but for the sake of the families choosing to use midwives for their pregnancy and childbearing care.

Sincerely,



Sharon K. Evans  
Midwife

FEB 03 1999

POB 671427  
Chugiak, Alaska 99567

February 2, 1999

Dear Representative Hudson,

Thank you on behalf of the Alaska Certified Direct-entry Midwives (CDMs) for introducing HB 10. We sincerely appreciate your efforts and those of your staff.

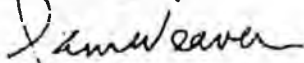
As a practicing midwife, I surely hope the board continues to govern the profession. As a member of the licensing board since its inception, I would like to point to the auditors' report which recommends that the board be extended for 6 years.

I also serve as a member of the North American Registry of Midwives (the national certification board), as liaison to state agencies and legislatures around the country. From this position, it's easy to compare Alaska's regulation of direct-entry with other states. The states with licensing boards with composition comparable to ours are the states where midwifery flourishes as a mainstream, cost-effective healthcare alternative for thousands of low risk women. The Midwifery Model of Care in out-of-hospital settings is a rising trend nationally as well as here in Alaska. The best means of addressing the issue of public safety for birth centers and homebirth is for the profession to continue to be governed by the licensing board established by AS 08.65 010.

There is concern by some for the CDM licensure fees. While the fees are high, the midwives understand that the board must be selfsufficient and are willing to pay the price as the cost of sustaining the profession, understanding that the fees will drop as the number of midwives increases. Further, I understand from discussions with Catherine Reardon, Director of Occupational Licensing, that eliminating the board would have little impact on reducing the licensure fees.

Again, thank you for your efforts with HB 10. I would welcome a call from you or your staff if I can be of any assistance.

Most sincerely,



Pam Weaver, CDM  
907-688-2000

Date: 2/3/99

Total Pages: \_\_\_\_\_

▶ **PLEASE DELIVER IMMEDIATELY**

FEB 03 1999

TO All Legislators

FAX 465 2273 PHONE \_\_\_\_\_

# FAX

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Dear Legislators,

I support H.S. Bill 10 to retain the midwifery board. This representation of midwives, by midwives, is important. They are aware of the unique issues that face midwives in Alaska.

Thank You

Suzanne C. Hickey

FROM \_\_\_\_\_

FAX \_\_\_\_\_ PHONE \_\_\_\_\_

# FAX

Date: 2/3/99

Total Pages: 1

▶ **PLEASE DELIVER IMMEDIATELY**

FEB 03 1999

TO All Legislators

FAX 465-2273 PHONE \_\_\_\_\_

# FAX

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*Dear Legislators*

*I support HS Bill 10 to retain the  
midwifery board. This representation of midwives  
by midwives, is important. They are aware of the  
unique issues that face midwives in Alaska.*

*Thanks,*

*Kuoten Hensick, MD*

FROM \_\_\_\_\_

FAX \_\_\_\_\_ PHONE \_\_\_\_\_

# FAX

Date: 2/3/99

Total Pages: \_\_\_\_\_

▶ **PLEASE DELIVER IMMEDIATELY**

TO All Legislators FEB 03 1999

FAX 415 - 227 3 PHONE \_\_\_\_\_

# FAX

Dear legislators,

I strongly support HS Bill #10 to retain the midwifery board. This board is a necessary & important representation for Direct Entry Midwives. I think its important for Direct Entry Midwives to be licenced & to be represented by midwives that understand the issues facing Alaskan Midwives. AK is a very unique place in terms of midwifery & this board is extremely important.

Thanks,  
 Holly Fair  
 (Holly FAIR)

FROM \_\_\_\_\_

FAX \_\_\_\_\_ PHONE \_\_\_\_\_

# FAX

Date: 2/3/99

Total Pages: \_\_\_\_\_

▶ PLEASE DELIVER IMMEDIATELY

TO all Legislators FEB 03 1999

FAX 465 2273 PHONE \_\_\_\_\_

# FAX

Dear Legislators:

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I support H5 Bill 10 to retain the midwifery board. I think representation of and by midwives is important because they are aware of the special and unique issues that face midwives in Alaska.

Thank you,

*Rudence J. Brown*

FROM \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FAX \_\_\_\_\_ PHONE \_\_\_\_\_

# FAX

Date: \_\_\_\_\_

Total Pages: \_\_\_\_\_

▶ **PLEASE DELIVER IMMEDIATELY**

TO All legislators FEB 03 1999

FAX 465 2273 PHONE \_\_\_\_\_

# FAX

Dear Legislators,

I strongly support Hs Bill #10 to return the midwifery board. This board is a necessary & important representation for Direct Entry Midwives. It is important for direct entry midwives to be licensed & to be represented by midwives who understand the issues they face. This board is extremely important.

Thanks,

Melissa Jamgo

FROM \_\_\_\_\_

FAX \_\_\_\_\_ PHONE \_\_\_\_\_

# FAX

Date: 2/3/99

Total Pages: \_\_\_\_\_

▶ **PLEASE DELIVER IMMEDIATELY**

TO All Legislators FEB 03 1999

FAX 465-2273 PHONE \_\_\_\_\_

# FAX

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Dear Legislators:

I strongly support H.A #10 and urge you support it also this bill will retain the midwifery board which is a necessary representation of midwives.

Thank you  
Sincerely,  
Lucy Davis

FROM \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FAX \_\_\_\_\_ PHONE \_\_\_\_\_

# FAX



J U N E A U  
F A M I L Y B I R T H  
C E N T E R

## Juneau Family Birth Center

3225 Hospital Drive, Suite 106, Juneau, AK 99801 (907)586-1203

Dear Legislator,

I am asking for your support in passing HB 10, the continuation of the Certified Direct-Entry Midwifery Board.

I am an Alaska Certified Direct-Entry Midwife (CDM) practicing here in Juneau. I have served on the CDM licensing board since it was created in 1992. I have practiced midwifery in Juneau for 15 years and last April opened a free standing, non-profit birth center in Juneau.

I am proud of the Certified Direct-Entry Midwives in Alaska. They have accomplished so much for the women and babies in the state. We now have three CDM run birth centers in the state and continue to provide safe home births. Statistics show that our outcomes have been excellent for moms and babies. We continue to work to help pregnant women and babies have the healthiest experience possible and to provide quality midwifery care to low risk women who choose this option.

I am available to answer questions and would be glad to provide information to you about midwifery care.

Sincerely,

  
Kaye Karne, CDM

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

### Division of Legislative Audit



P.O. Box 113300  
Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347  
Internet e-mail address:  
legaudit@legis.state.ak.us

January 9, 1998

Members of the Legislative Budget  
and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT  
DIVISION OF OCCUPATIONAL LICENSING  
BOARD OF CERTIFIED DIRECT-ENTRY MIDWIVES

January 9, 1998

Audit Control Number  
08-1454-98

The objective of the audit was to determine whether the Board of Certified Direct-Entry Midwives should continue its existence. Currently Alaska Statute 08.03.010(c)(8) has the board scheduled for termination on June 30, 1998. If no action is taken by the legislature, the board has one year in which to conclude its affairs and will be dissolved on June 30, 1999. We recommend that the legislature extend the board's termination date to June 30, 2004.

This report does not include a response from the state agency responsible for the program's administration. This is an exception to generally accepted government auditing standards.

With the exception noted in the previous paragraph, the audit was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology section of this report.

A handwritten signature in cursive script that reads "Pat Davidson".

Pat Davidson, CPA  
Acting Legislative Auditor

# TABLE OF CONTENTS

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## OBJECTIVES, SCOPE AND METHODOLOGY

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Certified Direct-Entry Midwives to determine if it should continue in existence.

As required by statute, the legislative committee of reference is to consider this report as part of the oversight process in determining whether the board should be reestablished. The law currently specifies that the board will terminate on June 30, 1998 and will have one year from that date to conclude its affairs.

The major areas of our review were board proceedings, examination, licensing, investigations, and licensing/fee structure as it relates to financial self-sufficiency of the board. We reviewed and evaluated the following:

1. Applicable statutes and proposed regulations.
2. Tests of files and documents of licensees.
3. Interviews with employees of the Department of Commerce and Economic Development, Division of Occupational Licensing.
4. Interviews with research staff at the Division of Medical Assistance, Department of Health and Social Services.
5. Minutes of board meetings, annual reports, and budget documents.
6. Complaints filed with the Division of Occupational Licensing, the Ombudsman's Office closed case files, and the Department of Law.
7. Discussions with board members and licensees.

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## ORGANIZATION AND FUNCTION

Chapter 130, SLA 1992 established the Board of Certified Direct-Entry Midwives effective June 26, 1992. While there was no intent statement attached to the legislation, the prime sponsor of the bill testified during committee meetings as to his intention in sponsoring the legislation. He stated the legislation was intended to protect the health and safety of the public by separating midwives who choose to take training and become licensed from those who choose not to meet the stricter qualifications.

According to the sponsor, insurance companies will pay for midwife services only if they are properly licensed and certified. He testified that a board is needed to "*develop strict regulations and monitor professional practice by peer review and education. Certified, licensed, high-quality care would be available to Alaskans who either prefer home births or are denied financial or geographic access to physicians' care.*" The sponsor also identified midwife care as one way to reduce health care costs and related health insurance premiums.

The board promotes the public's health, safety, and welfare by establishing educational, experience, and continuing education requirements for licensed midwives. These requirements are intended to provide assurance that licensed individuals provide a minimum standard of care. However, the statutes allow for midwife services to be provided by unlicensed individuals. As stated in AS 08.65.150 the differentiation is that those not certified under Chapter 65 (Direct-Entry Midwives) "*may not practice midwifery for compensation.*"

### Membership on board

As set out in AS 08.65.010, the board is composed of five members (see inset at right). By statute, board membership consists of two direct-entry midwives certified in Alaska, one physician who has an obstetrical practice or has specialized training in obstetrics and is licensed by the State Medical Board in Alaska, one certified nurse midwife licensed by the Board of Nursing in Alaska, and one public member. The members are appointed by the governor subject to confirmation by the legislature in joint session. Once appointed, the members serve staggered terms of four years.

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#### **Board of Certified Direct-Entry Midwives Members**

Pam Weaver, Certified Direct-Entry Midwife,  
Chairperson  
Marilyn Holmes, Secretary, Public Member  
Kaye Kanne, Certified Direct-Entry Midwife  
Martha J. Linden, Certified Nurse Midwife  
Dr. Mark E. Richey, Physician

---

### Duties of the board

The board responsibilities under AS 08.65.030 include:

1. Examining applicants and issuing certificates to those applicants it finds qualified;
2. Adopting regulations establishing certification and certificate renewal requirements;
3. Issuing permits to apprentice direct-entry midwives;
4. Holding hearings and ordering the disciplinary sanction of a person who violates statute or regulation regarding direct-entry midwives;
5. Supplying forms for applications, licenses, permits, certificates, and other papers and records;
6. Reporting annually to the governor and the Department of Commerce and Economic Development (DCED) on the board's proceedings during the year;
7. Approving curricula and adopting standards for basic education, training, and apprentice programs; and
8. Approving education, training, and apprentice programs that meet the requirements of statute and the board, and denying, revoking, or suspending approval of programs that fail to meet the requirements.

### Duties of the Department of Commerce and Economic Development

DCED provides administrative and investigative assistance to the board (AS 08.01.050). This assistance is funded by licensing and application fees as appropriated by the legislature. Administrative assistance includes budgetary services and functions such as: collecting fees, maintaining files, receiving and issuing application forms, and publishing notice of examinations and meetings. On its own initiative, or in response to a complaint, DCED may conduct an investigation if it appears a person has engaged in or is about to engage in a practice over which DCED has authority. DCED can issue an order that the person stop the practice, bring an action in Superior Court to enjoin the act, examine the books and records of a person, and issue subpoenas for the attendance of witnesses and records.

## REPORT CONCLUSION

As set out in AS 08.03.010(c)(8), the Board of Certified Direct-Entry Midwives is presently scheduled for termination on June 30, 1998. The board has one year in which to conclude its affairs if the legislature does not enact legislation for the continuance of the board.

The regulation and licensing of qualified professionals is necessary to promote the public's health, safety, and welfare. The board provides this service by establishing minimum educational, experience, and continuing education requirements that provide reasonable assurance that licensed individuals provide a minimum standard of care. Active investigation of complaints and revocation or suspension of licenses assure licensed professionals act in a competent manner.

Creation of the board has served as a means to make people practicing midwifery aware of the level of experience and education expected of them. Also, by having a board, individuals in the midwifery practice can now be held accountable to an established standard of care. Elimination of the board would likely result in the same lack of oversight that existed prior to the creation of the board in 1992. The board has displayed an ability to conduct its business in a professional, competent, and efficient manner. The board continues to propose changes to statute and regulation to improve its effectiveness.

In our view, the Board of Certified Direct-Entry Midwives is operating in an efficient and effective manner and should continue. We believe the board is safeguarding the public interest by promoting the competence and integrity of those who hold themselves out as licensed midwives or midwife apprentices. We recommend that the legislature extend the board's termination until June 30, 2004.

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## AUDITORS COMMENTS

### High fees a barrier to entry

Due to the fees charged for licensure, continued licensing of Direct-Entry midwives is problematic over the long term. The licensing fees required of midwives are higher than those of any other licensed profession, except one.<sup>1</sup> Licensure costs have increased from an original two-year fee of \$350 to \$1,550 for the current biennial period. Additionally, prospective license fees due at the end of 1998 for the next biennial licensing period, will probably be even higher since the number of new midwife applicants to date have been less than expected. The fees are relatively higher because of the limited number of licensed midwives, and the statutory requirement that licensing fees be set at a level sufficient to cover the regulatory costs for the occupation.

As of July 1997, there were only 15 licensed Certified Direct-Entry Midwives (CDMs), and 5 apprentice midwives. These 20 licensed individuals were required to cover estimated biennial operating costs of almost \$31,000 — a relatively modest operational cost for a licensing board. AS 08.01.065 requires the licensed CDMs, like all professions, to cover these operational costs.

There is some concern given the market situation for many CDMs, that high licensing fees serve as a barrier to entry into the profession. The fees may be required to be set so high, that they prove to be a significant disincentive for qualified individuals to seek licensure as a CDM. As a result, the public policy benefits that were attributed to developing a licensure process for midwives when the board was created in 1992, may be compromised in total or in part if the already high fees continue to increase.

In July 1997 the director of the Division of Occupational Licensing wrote all licensed midwives soliciting their perspective on alternatives to the high fee structure faced by CDMs. These options, presented in full in the inset on the following page, ranged from disbanding the board altogether, to seeking a general fund appropriation to subsidize the operations of the board. From our review of the options, we could not identify any particular choice that we believe more advantageous than the other. Further, no preference or other suggestions were expressed or offered in discussions with selected board members nor were written comments received from licensees.

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<sup>1</sup> The Board of Marine Pilots charges \$4,500 for a biennial license, and had 84 license holders at the end of FY 97. The board has a full time licensing supervisor to support its activities. Because of the structure of the market for marine pilot services, this large fee has not appeared to be too onerous of a charge for most marine pilots. By way of further comparison, biennial renewal fees for physicians and dentists are \$180 and \$250 respectively.

## DIRECTOR'S LETTER SETS OUT EIGHT OPTIONS FOR CONSIDERATION OF THE BOARD AND ALL LICENSED CDMs

In a July 7, 1997 letter to all licensed Certified Direct-Entry Midwives (CDMs), the director of Occupational Licensing set out eight options for consideration and discussion. Presented below is an excerpt of the letter. The director, before presenting the following discussion did write, "I am not advocating any of these changes, but am simply setting them out for discussion."

1. Eliminate state licensing of CDM's by repealing the licensing law. All licenses fees would be eliminated . The results could be danger to public health from untrained midwives, elimination of insurance coverage for midwifery services, or the determination that lay midwifery for compensation is an illegal practice of medicine.
2. Eliminate the board and transfer all responsibility for regulation to the Division of Occupational Licensing. The cost of travel to board meetings (\$1,500—\$2,500/year) and staff work-related to meetings would be eliminated. Department staff would write regulations instead of experienced CDM's. . . . Overall savings may be minimal.
3. Create a board which licenses several health care professions to increase the number of board licensees. The medical and nursing boards may not be comfortable locations for CDM's. Professions such as naturopathy and acupuncture do not currently have boards, so their fees would increase if they shared board meeting costs with CDM's. CDM's could see a slight decline in fees related to board meeting travel and meeting staff work as these costs would be spread among all board license holders. An increase in the membership, number, or length of board meetings could offset that savings. . . .
4. Base fees on the number of babies delivered by a specific midwife instead of charging all midwives the same license fee. Overall expenses and revenue would remains the same, but fees would vary substantially depending on the amount of activity/income of each CDM. Since the number of births was known, the Division and Board would face the challenge of dealing with CDM's who fail to pay.
5. Pay some costs of regulating midwives with General Fund money from the state treasury instead of license fees. The Governor and the Legislature would have to cut other state programs or increase the state budget deficit. This is very difficult in a time of oil revenue decline and budget reduction.
6. License CDM's annually instead of biennially. This would increase the amount of staff time spent on license renewal, but would all CDM's to pay half the fee each year.
7. Reduce employee costs. The CDM program is staffed by a licensing examiner and investigator who bill midwives only for those hours they spend on regulation [of] your profession. Division salaries and benefits are set in union contracts. If staff duties remain the same, personnel costs will not decrease
8. Increase the number of Certified Direct-Entry Midwives. While the Division cannot contribute a great deal to this goal, license fees would be lower if there were more people to split the costs of regulation.

Medicaid eligibility and reimbursement was a factor behind creating the board — however, services continue to be nonreimbursable

Prior to establishment of a CDM board, midwives registered with the Department of Health and Social Services (DHSS). This registration function did not satisfy the federal regulatory requirements requiring licensure of practice in accord within a "scope of practice." Creation of the board, and subsequent adoption of licensing regulations satisfied this requirement. As such, midwife services could now be covered under the Medicaid program, which was part of the motivation for originally establishing the board.

Circumstances brought on by funding decisions by the legislature have served to deny Medicaid reimbursement for midwife services.<sup>2</sup> An estimated 40% of the births in the State are covered by Medicaid. This excludes independently operating CDMs from providing services for payment to a significant number of individuals. In the view of board members we interviewed, this exclusion from Medicaid reimbursement is a central factor in limiting the number of individuals seeking licensure as CDMs.

At the request of DHSS Commissioner Perdue, Division of Medical Assistance personnel and representatives from the Midwives Association of Alaska met to discuss the options and obstacles in obtaining Medicaid reimbursement for midwives. Five Medicaid coverage options and the estimated cost of each were discussed. A synopsis of this analysis may be obtained from DHSS.

Concluding observations and comment

In 1992, the legislature approved establishment of the Board of Certified Direct-Entry Midwives without a dissenting vote. Such a vote suggests the legislature accepted and was in full agreement regarding the prospective public policy benefits that such a board licensing structure would provide. However, since the board was established, circumstances have developed that have limited realization of those perceived public policy benefits.

In order to better accomplish the public policy benefits of the board or licensure of midwives, the legislature should consider the various policy options related to both license fee costs and Medicaid reimbursement. Such consideration may require a reevaluation of the established self-sufficiency policy for occupational boards in addition to developing an avenue to allow Medicaid reimbursement for midwifery services. While each of these options has a varying fiscal impact, such actions may be necessary in order to provide greater opportunity and incentive for individuals to become a member of the direct-entry midwife profession.

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<sup>2</sup> Under federal regulations a state can offer reimbursement under Medicaid for medical or other remedial care provided by licensed practitioners within the scope of practice defined under state law. In Alaska, the legislature retains control over what optional groups of people and services are covered under Medicaid. The legislature has chosen to prioritize optional groups of people and services within state law so that the Department of Health and Social Services is given specific guidance over what groups and services are to be excluded from coverage when Medicaid funding is insufficient to cover the full program costs. In 1993 CDM services were made eligible for Medicaid reimbursement.

The legislature added the services to the optional service provider list set out in AS 47.07.030 for the Medicaid program. Because of federal requirements, midwives were delayed in fully qualifying for Medicaid reimbursement until May 1994. However, for the FY 95 budget, midwives through legislative intent, were eliminated from receiving Medicaid reimbursement. In FY 98, the legislature provided funding for a limited number of optional services, however, midwifery services remain unfunded.

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## ANALYSIS OF PUBLIC NEED

### Limited Analysis

The following analyses of board activities relate to the public need factors defined in the "sunset" law, Alaska Statute (AS) 44.66.050. These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

*The extent to which the board, commission, or program has operated in the public interest.*

The Board of Certified Direct-Entry Midwives (CDM) has served the public by examining and licensing qualified applicants, and by proposing changes to statute and regulation in order to enhance the quality of midwifery care in Alaska.

The board developed regulations to establish a peer review committee to review birth summaries and other required medical records to determine if the midwife acted in accordance with regulations and statutes governing CDMs.

The board is currently developing a handbook for applicants, licensees, new board members, and other interested individuals. The handbook will outline the functions of the board as well as clarify licensing requirements, costs and deadlines of the review, and licensing process.

*The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.*

General licensing statutes require that the Department of Commerce and Economic Development adopt regulations that establish the amount of fees to be charged to licensees of an occupation. The department must adopt fees that provide for financial self-sufficiency. Additionally, the department must perform an annual review to determine whether the financial self-sufficiency requirement has been met.

The licensing fees for the midwifery profession have increased twice since the inception of the board and it is facing another potential increase. The biennial licensing fee has increased from \$350 to \$850 to \$1,550 over the course of four years. The current number of licensed midwives is fifteen. The most recent budget documents were based on optimistic estimates that a small increase in licensees would occur; however, to date this increase has not materialized.

Appointment of the physician board member was not made in a timely manner. This seat was vacant from April 1995 through February 1997. The original physician appointed board member was absent from three meetings immediately preceding his resignation. The newly appointed physician board member was unable to attend the first meeting after his appointment. These circumstances resulted in eight consecutive board meetings being conducted, over a four year period, without benefit of physician representation on the board, as required by statute.

The board failed to meet twice annually as required by AS 08.65.020. In FY 96 the board cancelled their second regularly scheduled meeting due to a lack of pressing business and in an effort to be financially prudent. This cancellation had no significant impact to the board.

Submission of the FY 95 annual report was untimely. The board is required to submit their annual report to the department by August 1; however, the department did not receive the FY 95 annual report until mid-November. Due to the untimely submission, the report was excluded from the department's *Boards, Commissions, and Licensing Programs Annual Performance Reports* publication.

*The extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.*

The board has proposed that CDMs be added to the definition of "health care provider" as used at AS 18.23.070(3). This statute assures the confidentiality of client records reviewed in the course of a professional peer review process. Currently, peer review regulation does not provide for confidentiality of client records. Alaska Statute 18.23.070(3) defines "health care provider" and applies to confidentiality of records of review organizations. Inclusion of CDMs to the definition of "health care provider" under AS 18.23.070(3) will ensure the necessary confidentiality of client records.

*The extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.*

The location, date and time of board meetings and examinations are published in Anchorage, Fairbanks, and Juneau newspapers so that interested public members can attend or make written comment. The department has established a policy and procedure regarding public notices that defines adequate public notice for each specific event such as regularly scheduled meetings, examinations, and unplanned teleconferences. We reviewed advertising orders for the period under review and determined that two exam dates failed to be published timely in any of the three newspapers.

As discussed in the Auditor Comments section of the report, the Director of Occupational Licensing wrote all licensed CDMs in July 1997 to solicit feedback regarding the various options for addressing concerns over the relatively high CDM license fees. The letter, presented in part on page 8 discussed eight prospective options for consideration and discussion by licensees.

*The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.*

Public notices of proposed regulations are published in major newspapers. As previously mentioned, regularly scheduled meetings and exams were adequately advertised except as noted above, and time was set aside for public testimony.

*The efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the Office of the Ombudsman have been processed and resolved.*

Overall, the investigation of complaints against licensees received by the Division of Occupational Licensing is effective; however, timeliness is a concern. Factors contributing to lengthy closure times include case load and priority assignment. For the period under review, three investigative cases were opened. Two cases involved allegations of unprofessional conduct: one involved allegations of practicing without a license. Two cases were closed without a formal hearing and without license action. One case remains open as of the date of this report.

There were no complaints filed with the Office of the Ombudsman for the period under review.

*The extent to which the board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.*

Overall, the application process for certified direct-entry midwife licensure appears reasonable and appropriate. The licensing process is neither unduly restrictive nor too lax.

At the end of FY 97, the board had issued a total of 23 CDM licenses (currently 15 active) and 15 CDM-Apprentice permits (currently 5 active). We reviewed twelve license applications; seven CDM and five CDM-Apprentice. We found no errors during our review. We believe that the licensing criteria established by the board is reasonable and appropriate.

*The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.*

We found no evidence that the board was not complying with state personnel practices, including affirmative action, in qualifying applicants. The application for CDM licensure requires a photograph of the applicant. We determined that the photograph is not available for viewing when the board review an application for licensure. Each time the board has denied an applicant a license the reason has been based on experience requirements and not personal attributes of the applicant.

*The extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.*

See Auditor Comments section of this report.

(Intentionally left blank)

**APPENDIX A**  
**Department of Commerce and Economic Development**  
**Board of Certified Direct-Entry Midwives**  
**Application, License, and Other Fees<sup>3</sup>**

**Application and Other Fees<sup>4</sup>**

Type of Fee	Amount
Application	\$400
Examination fee	\$300

**License Fees**

License Category	Initial and Biennial Renewal Fee <sup>5</sup>
Direct-Entry Midwife Certification	\$1,550
Apprentice Direct-Entry Midwife Permit	\$300

<sup>3</sup>The licensing fees charged by the Division of Occupational Licensing for the Board of Certified Direct-Entry Midwives are set out in the Alaska Administrative Code at § 12 AAC 02.145. The current fees for this licensing board became effective November 15, 1996.

<sup>4</sup>The Division of Occupational Licensing is also authorized to charge administrative fees (12 AAC 02.105). Administrative fees include: duplicate license fee, photocopying fee, and penalty for reinstatement of a registration, license, permit or certificate which remains lapsed for more than 60 days.

<sup>5</sup>The biennial renewal period for the Board of Certified Direct-Entry Midwives is December 31, 1998.

## Love Letters

*Kaye empowered me with knowledge and confidence for birthing at home in peace and comfort. It was such a natural flow to have people come to our house; to be fed my food; to lay in my own bed; and to ever so gently, in soft light and quiet, celebrate the appearance of our child.*

*Birthing is my all-time, number-one high and personal best in effort, and I owe much of the beauty and goodness of the experience to my husband and our midwife, Kaye Kanne.*

*---Leslie Bennett, mother of two children*

*I felt safest with a midwife because a midwife specializes in keeping the process of pregnancy, labor and delivery natural. My midwife spent a full hour with me during prenatal visits, educating me, monitoring my health and discussing my diet. This extra attention throughout the pregnancy prepared me for a healthy and natural labor and birth.*

*---Maureen Riley, mother of two children*

*We chose to have our son and daughter at home, attended by midwives. While I was in labor, my midwives waited with us and encouraged the process to unfold naturally. They inspired confidence in me by their very presence and wealth of knowledge. When our children's birth days arrived, I knew that my midwives would patiently guide me through labor and birth, give me privacy, respect my wishes, and trust me to find my own way.*

*---Diana Rossmille, mother of two children*



Maurice Sendak



Juneau Family Birth Center  
3225 Hospital Drive, Suite 106  
Juneau, Alaska 99801  
(907) 586-1203

JUNE  
AU  
FAMILY BIRTH  
CENTER



JUNE  
AU  
FAMILY BIRTH  
CENTER

*Where Love Grows*



*Naturally*

**Juneau Family Birth Center**  
3225 Hospital Drive, Suite 106  
Juneau, Alaska 99801  
(907) 586-1203

## Our Midwives

### **Kaye Kanne, C.D.M., C.P.M.**

is a Certified Professional Midwife and a licensed, Certified Direct-Entry Midwife. She trained in Oregon and became a licensed midwife in New Mexico. She moved to Juneau in 1984 where she established Southeast Maternity Services. Kaye currently serves on the State Board of Licensing for Certified Direct-Entry Midwives in Alaska which she was instrumental in establishing. Kaye founded the Juneau Family Birth Center as part of her long-standing commitment to provide midwifery care to women and families in our community. Kaye is married and the mother of three children, two born at home.

### **Bev Skaggs, M.S., C.D.M.**

is a licensed, Certified Direct-Entry Midwife. She obtained her license in 1998 after completing an apprenticeship with Kaye Kanne, C.D.M. She received her midwifery degree from the National College of Midwifery. Bev also holds a Master's of Science degree in seismology from Cornell University. She became interested in midwifery as a result of her own positive experiences working with a midwife. Bev has lived in Juneau since 1985 and is the mother of four children, all born at home.



*Kaye Kanne and Bev Skaggs (L.-R.) with newborn baby Erik Nalan, work as midwives at the Juneau Family Birth Center.*

## Our Services

### **Complete Prenatal Care**

Free initial consultation and pregnancy testing

Full hour scheduled for each prenatal visit

Free pregnancy and childbirth-education classes, exercise and nutrition classes

All-natural vitamins and supplements available

### **Management of Labor and Birth**

Your choice of midwife-attended birth in your home or at the Juneau Family Birth Center

Assistance and monitoring during labor and birth with emotional support and coaching

Physician referrals as needed

### **After Your Baby is Born**

Complete postpartum care, including home visits, for the first six weeks

New Mom's Support Group meets weekly

Breastfeeding counseling and support

### **Resources Available to You**

A complete lending library of books, videotapes, periodicals, and cassettes relating to all aspects of pregnancy, nutrition, childbirth, breastfeeding, parenting, and holistic health

### **Visit our Website**

<http://www.juneau.com/birthcenter>

**Services are insurance reimbursable.  
Medicaid is accepted.**

## Our Center

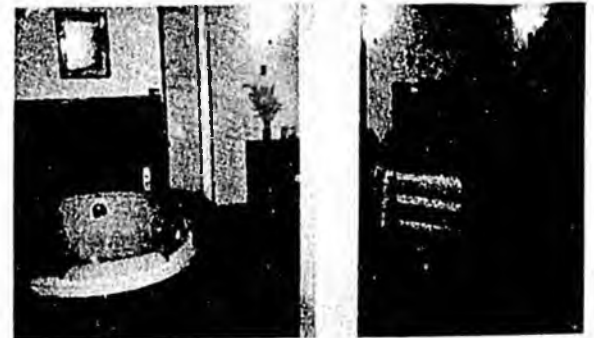
The Juneau Family Birth Center is a new facility located near the hospital. We offer you a home-like environment with two private birthing rooms, jacuzzi tubs, a family room complete with kitchen, a lending library, and a prenatal clinic.

The Juneau Family Birth Center is a non-profit organization dedicated to providing women and their families access to safe and affordable midwifery care.

We view birth as a normal, healthy event, understanding that birth is a complex and empowering life experience for women and their families.

We welcome families and friends to actively participate in pregnancy, labor and birth.

The Juneau Family Birth Center strives to affirm the sacredness of birth, the spiritual, emotional, familial, and communal dimensions of birth. We honor women's wisdom and knowledge of their own bodies, and we trust the rightness of the birth process.



*Our family friendly birth rooms offer women jacuzzi tubs and soft lighting in a relaxed and private atmosphere.*

## Passing House Bill 10 as a means of reducing health care costs to the State and improving birth outcomes:

### **Background:**

The 1992 legislature unanimously established a licensing and regulatory board for non-medical midwives called Certified Direct-Entry Midwives (CDMs).

The 1993 legislature unanimously added CDMs to the Medicaid options list with the intention of reducing health care costs for normal (90%) pregnant women by providing a low cost alternative to the already funded medical model of birth.

The Division of Legislative Audit has recommended in its January 1998 audit of the CDM board that "In order to better accomplish the public policy benefits of the board... the legislature should consider various policy options related to... Medicaid reimbursement."

The 1998 legislature voted overwhelmingly to provide Medicaid funding to Direct-Entry Midwives. On the 12<sup>th</sup> of this month, this legislation will go into effect.

### **Advantages to the State of Maintaining Direct-Entry Midwives:**

Alaska's infant mortality rate is even higher than the national average which ranks 22<sup>nd</sup> among developed nations. The five nations with the lowest infant mortality use midwives for 70% of their births, while midwives in the U.S. attend only 5% of our births. Increasing the use of midwifery services improves birth outcomes significantly.

Immediate cost savings to the existing Medicaid program will result from using a birthing alternative that is less than half the cost for normal low-risk deliveries. Currently, hospital births are averaging \$6785 – CDM care for the complete childbearing cycle costs \$2574 and includes postpartum newborn care.

Further cost savings will be realized by the reduction in technological intervention – especially unnecessary Cesarean sections which cost at least an additional \$10,000. The C-section rate in this country is the third highest in the world, around 30%. In Japan it's 7% and midwives deliver 90% of the babies. Bassett Army Hospital in Fairbanks saved the U.S. Military over \$1 million the first year two midwives were introduced into their obstetrics practice.

Restructuring Medicaid spending by funding CDMs demonstrates to Congress and President Clinton that FMAP funds are being used as intended and should therefore be continued.

### **The Goose That Laid the Golden Egg:**

More than 4800 pregnant women are eligible to receive Medicaid coverage in Alaska each year. If only 100 chose the midwifery model of care this year (2%), the total saving in Medicaid dollars would exceed \$300,000. When the program is encouraged to grow by passing House Bill 10, the State will continue to reap increasing benefits while improving maternity and infant care.

## House Bill 10: Extending the Termination Date of the Board of Direct-Entry Midwives 1999-2003

In spite of some current confusion about the intricacies of "economy of scale" in licensing Certified Direct-Entry Midwives (CDM's), Alaska remains, remarkably, among the forerunners in a worldwide movement to establish the Midwifery Model of Care as a safe and economical alternative choice to the medical model.

If you are familiar with this subject, you know that:

Alaska's infant mortality rate is even higher than the national average which ranks 22<sup>nd</sup> among developed nations.

Increasing the use of midwifery services improves birth outcomes considerably.

The five nations with the lowest infant mortality use midwives for 70% of their births, while midwives in the US attend only 5% of our births.

Immediate savings to the existing Medicaid program will result from using a birthing alternative that costs less than half of the medical model.

Alaska loves its midwives; the legislature has overwhelmingly supported the establishment of a CDM licensing board (1992), the intention to provide Medicaid funding to CDM services (1993) and the funding of Medicaid Reimbursement to CDMs.

Last year during the review of Senate Bill 238, the "Sunset Bill" for the CDM board, there was discussion over the high cost of licensing fees, currently \$1550 for a two-year period. The auditors were concerned that higher fees might serve as a barrier to those trying to enter the profession and that no one seemed to have any suggestions for remedying the situation.

One obvious remedy was the passing of last year's HB 459 which moved CDM's into a position to receive third party reimbursement in the form of Medicaid funding, accomplishing the following:

Begin the process of saving Medicaid funds for the state – an estimated 57% or more per birth. Each year there are 4500 pregnant women eligible for Medicaid who currently have access *only* to the medical model.

Improve birth outcomes by lowering infant mortality.

Provide economic incentive for more midwives seeking licensure – thus removing the current restraint of trade situation.

With growing numbers of CDM's, the price per license will drop.

Public awareness of the profession will make it more difficult for unlicensed practitioners to find work, thereby cutting down on enforcement costs.

The nations noted above with the most successful maternal and child health care programs have the following in common:

Early and continuous pre-natal care. (In AK, the Midwifery Model of Care)

Universal health coverage. (In AK, Medicaid for low income families)

Reciprocity between the midwifery and medical communities. (In AK, two of the five CDM Board members are medical professionals.)

Passing House Bill 10 will go a long way toward ensuring these conditions for Alaskan families. Fostering a population of healthy infants born to healthy mothers is a win-win situation for everyone. The Midwifery Model of Care promotes family bonding as well as individual responsibility. Statistically, midwifery saves lives and will continue to save the State of Alaska increasing amounts of money. CDM's have willingly born the high costs of licensure in order to sustain their regulated status and allow their profession to grow. Extending the termination date of the Board of Certified Direct-Entry Midwives until June 30<sup>th</sup>, 2003 will ensure the continued growth of this valued profession in Alaska.

Prepared by: Marilyn Holmes, Citizens for Midwifery and Secretary of the Board of Direct-Entry Midwives.



## Alaska Family Health & Birth Clinic

753 Gaffney Rd, Fairbanks, Alaska 99701 • (907) 456-3719  
birth@mosquitonet.com • Fax: 907-456-1511

February 8, 1999

Dear Representative Hudson:

I am writing to communicate my concerns regarding HB 10 and the sunset clause on the State Midwifery Board. Since the Board's inception in 1992 it has made a significant contribution to midwifery care resulting in high standards in the profession. We don't want to lose the representation of the State Licensing Board.

We realize the licensing fees are high but we are not complaining. We need our board and are willing to continue paying these fees; it is worth it to the midwives and our profession. The midwifery profession is growing in the State of Alaska and the demand for midwifery care is increasing. Because we are now able to bill for Medicaid we can reach even more people.

It is the desire of the Midwives Association of Alaska that the State Midwifery Board continue.

Sincerely,

Dana Brown, President  
Midwives Association of Alaska

Kaye Kanne, CDM  
Juneau Family Birth Center  
3225 Hospital Drive #106  
Juneau, Alaska 99801  
(907) 586-1203

Testimony for House Finance Committee regarding HB10

I am asking for your support in passing HB 10, the continuation of the Certified Direct-Entry Midwifery Board.

I am an Alaska Certified Direct-Entry Midwife (CDM) practicing here in Juneau. I have served on the CDM licensing board since it was created in 1992. I have practiced midwifery in Juneau for 15 years and last April opened a free standing, non-profit birth center in Juneau.

I am proud of the Certified Direct-Entry Midwives in Alaska. They have accomplished so much for the women and babies in the state. We now have three CDM run birth centers in the state and continue to provide safe home births. Statistics show that our outcomes have been excellent for moms and babies. We continue to work to help pregnant women and babies have the healthiest experience possible and to provide quality midwifery care to low risk women who choose this option.

I am available to answer questions and would be glad to provide information to you about midwifery care.