

HB

10

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

4/10/99

DATE: 3/17/99

FURTHER:

DATE TURNED
IN TO OFFICE: 4/12/99

Finance Committee considered HOUSE BILL NO. 10

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

and recommends:

- be **replaced** with _____ CS _____ (_____)
- adopt **previous** _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Robert E. ...</i>	✓				
<i>Ludwig ...</i>	✓				
<i>Joe Adams</i>	✓				
<i>Drew D. ...</i>	✓				
<i>George ...</i>	✓				
<i>W. ...</i>	✓				
Co-Chair: <i>...</i>	✓	Co-Chair:			
Co-Chair: <i>...</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

DC#ED/CC. License	2/3/99	φ	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

REPORTED OUT OF

4/10/99

No: 1

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 <u>An Act extending the termination of the</u>	BRU	Occupational Licensing
Board of Certified <u>Direct-Entry Midwives</u>	Component	Occupational Licensing
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.

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

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

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 <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 & Economic Development</u>	

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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
Trave;		0.7	2.6	3.3
Contractual Services		1.6	2.3	3.9
Commodities		0.0	0.0	0.0
Equipment		0.0	0.0	0.0
		13.6	11.6	25.2
				12.6

Alaska State Legislature



Representative Bill Hudson

State Capitol
Juneau, Alaska
99801-1182
Phone: (907) 465-3744
Fax: (907) 465-2273

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 and reporting annually to the Governor and the Department. Additionally, the board approves curricula and adopts standards for basic education, training and apprentice programs.

Alaska's infant mortality rate is even higher than the national average which ranks 22nd among developed nations. Increasing the use of midwifery services in Western Europe and Japan has improved birth outcomes dramatically. 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 nationwide 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.

Midwifery Model of Care Definition:

The Midwifery Model of Care is based on the fact that pregnancy and birth are normal life events. The Midwifery Model of Care includes:

- *monitoring the physical, psychological, and social well-being of the mother throughout the childbearing cycle;*
- *providing the mother with individualized education, counseling, and prenatal care, continuous hands-on assistance during labor and delivery, and postpartum support;*
- *minimizing technological interventions; and*
- *identifying and referring women who require obstetrical attention.*

The application of this model has been proven to reduce the incidence of birth injury, trauma, and cesarean section.

Direct-Entry Midwife Definition:

There are two main categories of midwives in the U.S., nurse-midwives, who are trained in both nursing and midwifery, and direct entry midwives, who trained as midwives without being nurses first. Within the category of direct entry midwives are several subcategories reflecting the varying legal status of these midwives in different states.

Direct-entry midwives in Alaska

- *are licensed and regulated by the Board of Certified Direct-Entry Midwives (CDM's) which is composed of two CDMs, one nurse midwife, one physician with specialized training in obstetrics and one public consumer member*
- *have met rigorous educational requirements and passed hands-on skills evaluations and a national standard written exam*
- *train and practice in home or out-of-hospital birth center settings*
- *use multiple routes of education (apprenticeship, formal classes or programs, workshops, etc., usually a combination)*

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) in an effort to ensure high professional standards.

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 1998 legislature voted overwhelmingly to provide Medicaid funding to Direct-Entry Midwives. On February 12th, 1999, this legislation went into effect.

On February 19, 1999, the House passed House Bill 10 unanimously.

Advantages to the State of Maintaining Direct-Entry Midwives:

Alaska's infant mortality rate is even higher than the national average which ranks 22nd 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.

One-fifth of all health care expenditures in the US are for childbirth. 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 \$6800. CDM care for the complete childbearing cycle averages \$2800 and includes postpartum newborn care.

Further cost savings will be realized by the reduction in technological intervention -- especially unnecessary Cesarean sections which add thousands of dollars to each birth. 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.

Cost of Licensure:

Alaska's CDMs have willingly born the high costs of licensure in order to establish and sustain their regulated status.

As of February 12th, 1999, CDMs receive Medicaid reimbursement for their services providing economic incentive for more midwives to seek certification and decreasing the per capita licensing cost. Public awareness of the profession will make it more difficult for unlicensed practitioners to find work, thereby cutting down on enforcement costs.

Protecting the General Welfare:

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 birth professionals.)

Passing House Bill 10 will go a long way toward insuring 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.

Extending the termination date of the Board of Certified Direct-Entry Midwives until June 30th, 2003 will ensure the continued growth of this valued profession in Alaska.

Prepared by: Marilyn Holmes, Citizens for Midwifery (907) 586-2316

**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:26009/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	2,598	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
Sub-Total Expenses:		14,886	12,333	27,219		26,935
Cost Savings Adjustments		<i>(See below for explanation)</i>				-262
Expense Adjustments		<i>ASCO Misc. Costs (166.0)</i>		<i>x 2 years</i>	133,200	0.06% 80
Direct Program Increment Expenses	FY 96-FY 98:				0	0
TOTAL EXPENSES:		14,886	12,333	27,219	Projected Expenses:	26,753
TOTAL REVENUE:		22,790	5,025	27,815	Projected Revenue:	30,550
EXPENSES Less REVENUE:		7,904	-7,308	596	Projected Exp less Rev:	3,797
Roll-Forward Tracking:	0	7,904	-7,308	596	0% Roll Forward Applied:	0
					PROJECTED BALANCE:	3,797
					PROJECTED ROLL FORWARD:	3,797
A) Cost Savings Adjustments consists of:						
- Reduce One-time Computer Equipment Purchase						
\$165,479.65 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	18.7	15.5	11.0	8.1
	Indirect	0.5	0.5	0.7	0.7
	Total:	\$17.2	\$16.0	\$11.7	\$7.4
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	2.1
	Indirect	0.0	0.0	0.0	0.0
	Total:	\$1.4	\$2.3	\$0.7	\$2.1
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	2.1
	Indirect	0.2	0.1	0.3	0.0
	Total:	\$19.6	\$1.2	\$1.4	\$2.1
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
	Total:	\$0.3	\$0.0	\$0.0	\$0.0
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
	Total:	\$0.0	\$0.0	\$0.1	\$0.0
Equipment expenses include purchase and repair of computers, software, copy machines, telephones and other office equipment.					
Total Direct:		\$37.8	\$18.9	\$12.8	\$11.2
Total Indirect:		\$0.7	\$0.6	\$1.1	\$1.1
TOTAL EXPENSES:		\$38.5	\$19.5	\$13.9	\$12.3
TOTAL REVENUE:		12.0	4.2	22.8	5.0
BALANCE (Revenue - Expenses) :		(\$26.5)	(\$15.3)	\$8.9	(\$7.3)

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

I support H.R. Bill 10 to retain
 the midwifery board. They are a
 necessary representation for direct
 entry midwives. I support over
 licensing fees so all can have a board
 that is licensed. Thank you!
 Charlotte M. Davis

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FROM _____

FAX _____ PHONE _____

FAX

FEB 03 1999

Mat-Su Midwifery

2650 Broadview Ave., Wasilla, AK 99652
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 a 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

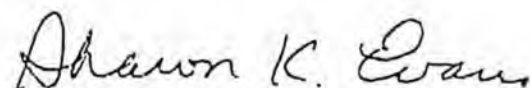
Dear Representative Hudson:

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.

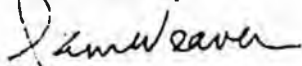
As a practicing midwife, I surely hope the board continues to govern the profession. As a member of the licensing board since its inception, I would like to point to the auditors' report which recommends that the board be extended for 6 years.

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: _____

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FEB 03 1999

TO All Legislators

FAX

FAX 465 2273 PHONE _____

Dear Legislators,

I support HS Bill 10 to retrain 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



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

Date: 2/3/99

Total Pages: 1

▶ PLEASE DELIVER IMMEDIATELY

FEB 03 1999

TO 100 Legislators

FAX 465-2873 PHONE _____

FAX

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Dear Legislators

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

Thanks,

Kuoten Hussak, MD

FROM _____

FAX _____ PHONE _____

FAX

▶ PLEASE DELIVER IMMEDIATELY

Total Pages: _____

TO All Legislators FEB 03 1999

FAX

FAX 465 - 2273 PHONE _____

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 it's important for Direct Entry Midwives to be licensed & 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

▶ PLEASE DELIVER IMMEDIATELY

TO all Legislators FEB 03 1999

FAX 465 2273 PHONE _____

FAX

Dear Legislators:

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

Thank you,

Prudence 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 reform the midwifery board. This board is a necessary & important representation for Direct Entry Midwives. It is important for direct entry midwives to be elected & to be represented by midwives who understand the issues they face. This board is extremely important.

Thanks,

Melissa Jimenez

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

SENATE FINANCE COMMITTEE

SIGN-IN

HB 10-EXTEND CERTIFIED DIRECT-ENTRY MIDWIVES BD

NAME: Marilyn Holmes Subject/Bill No: HB 10

Co./Dept./Title: Secy AK Board of CDMs Phone: 576-2316

Address: 9109 Kilduff Ave Zip: 97801

Do you wish to testify? Yes No Respond To Questions

only if necessary

NAME: Patricia Reardon Subject/Bill No: HB 10

Co./Dept./Title: Comm. on Phone: 99811

Address: PO 110806 Zip: 465-2538

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions