

**SB**

**22**

# Alaska State Legislature

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Senator Bettye Davis@legis.state.ak.us  
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## Senator Bettye Davis

### Senate Bill 22

" An Act adding birthing centers to the list of health facilities eligible for payment of medical assistance for needy persons."

### Sponsor Statement

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***Currently in Alaska, Medicaid does not cover licensed birthing center facility fees, often forcing pregnant women to choose a hospital birth where costs to the state are significantly greater than those at a birthing center. The average cost from four hospitals in Anchorage, Fairbanks and Juneau of a "natural" birth is \$3,667.00. This figure does not include epidural anesthesia or the use of pitocin to enhance the strength of labor, internal fetal monitoring and forceps or vacuum assisted deliveries. A cesarean section on average would cost an additional \$4,385.75. The facility fees for three birthing centers in Alaska averages \$1,400.00.***

***If birthing center facility fees were to be reimbursed by Medicaid or Denali KidCare, the option of a birth center birth could be made available to even more women. It's a logical step towards saving the state money and allowing families on the Denali KidCare program to choose their preferred location to give birth. I urge you to support the passage of this legislation***

# THE BIRTH CENTER EXPERIENCE

## Birth Centers Lead Cost Containment Efforts While Providing Quality Care

*"Few innovations in health service promote lower cost, greater availability, and a high degree of satisfaction with a comparable degree of safety. The results of this study suggest that modern birth centers can identify women who are at low risk for obstetrical complications and care for them in a way that provides these benefits."*

New England Journal of Medicine, 12/28/89

### *What is a birth center?*

- The birth center is a homelike facility, existing within a healthcare system with a program of care designed in the wellness model of pregnancy and birth.
- Birth centers are guided by principles of prevention, sensitivity, safety, appropriate medical intervention, and cost effectiveness.
- Birth centers provide family-centered care for healthy women before, during and after normal pregnancy, labor and birth.

### *What is the birth center experience?*

- The quality of care in birth centers reported in the "The National Birth Center Study" reflects the low overall intrapartum and neonatal mortality rate of 1.3/1000 births; 0.7/1000 if lethal anomalies are excluded. These rates are comparable to studies of low risk, in-hospital births.<sup>1</sup>
- The cesarean section rate for women receiving care in birth centers averages 4.4%, approximately one half that in studies of low risk, in-hospital births.<sup>1</sup>
- Birth centers nationally have consistently displayed charges for care for normal birth that average up to 50% less than regular hospital stays and 30% less than short stays - including practitioner fees.<sup>2, 3</sup>
- More than half of birth centers include routine laboratory exams, childbirth education, home visits, extra office visits, and initial newborn examinations in their charges.
- Most major health insurers reimburse contract with birth centers for reimbursement. Because charges reflect cost and since the birth center is a single service unit, there is no opportunity for cost shifting or operating the birth center as a "loss leader" to other services.
- 98.8 percent of women using the birth center would recommend it to friends and/or return to the center for a subsequent birth.<sup>1</sup>

### *What are the potential benefits to families?*

- The birth center approaches pregnancy and birth as a normal family event until proven otherwise. The program encourages family involvement and provides a safe environment for families to experience the social, emotional, and spiritual renewal inherent in birthing forth new life -- while attending to the possibility that a problem may arise that will require medical intervention or care in the acute care setting of the hospital. This is in opposition to the view that pregnancy is an illness and birth a medical/surgical event that needs to be cured.
- The birth center program of education encourages parents to become informed and self-reliant; to assume responsibility for their own health and the health of the family.
- The birth center brings generations together to celebrate new life by encouraging grandparents and children to participate in the birth center program.
- Birth centers have demonstrated that they are a viable alternative to unattended home birth and to costly hospital acute care for 20 years. It is now time to mainstream these services.

### *What are the benefits to business and industry?*

- Birth centers offer business and industry direct savings in the cost of health benefits. If only 100,000 births were attended in birth centers, annual savings could be almost \$314 million.<sup>2, 3</sup>
- The birth center program provides a starting base for the wellness and prevention programs being established in industry.
- The family is the hinge pin of the employee. Industry's support of a program that encourages family unity, self-determination and responsible health can only improve employee performance.
- Birth center care encourages childbearing women (who may also be employees) to be confident in the design of their bodies. Such confidence, in turn, builds self-esteem and starts the young family off on thinking of pregnancy, birth and family health as wellness, not disease.
- The nine-month intensive focus on improving family health by promotion of lifestyle changes in pregnancy can have a significant ripple effect in the long-term improvement of family health.

### *How will it affect the hospital acute care service?*

- Birth centers have had a major impact on humanizing the acute care maternity services provided by hospitals. Note the rise in hospital birthing rooms, in privileges for nurse-midwives, in childbirth education programs, and in more liberal attitudes about family participation.
- Birth centers are showing that the majority of women can safely proceed through pregnancy and birth using acute care services only as needed. In a wellness orientation to pregnancy and birth, birth centers would be the managed care gatekeepers for the acute care obstetric newborn services.
- Birth centers eventually will help to reduce the number of costly hospital beds and expand primary care services.
- Birth centers will help to reduce dependency fostered by institutional confinement and strengthen the family's ability to share responsibility for maternity care and family health.
- Birth centers will help to develop a system of care based first, on the needs of the family and second, on the needs of medical education or product promotion.

### ***How will it affect the obstetricians?***

- Birth centers provide an opportunity for obstetricians and family physicians to learn and practice midwifery - time and education intensive, "with woman" - care.
- Birth centers provide an opportunity for obstetricians to invest in a service in which they can expand their interests.
- Birth centers offer obstetricians an opportunity to develop teams of professional care providers that will improve primary care services to families and better use their specialist skills.

### ***How is the quality of care assured in birth centers?***

- Through the promotion of state regulations for licensure (37 states currently license birth centers).
- Through established National Standards (adopted 1985).
- Through a Continuous Quality Improvement Program for Birth Centers (model program available).
- Through accreditation by the Commission for the Accreditation of Birth Centers.

### ***How do birth centers contain costs?***

- By retaining autonomy (control) over birth center operations and program regardless of ownership (some hospitals own freestanding birth centers).
- By providing "high touch" rather than "high tech" care, birth centers minimize the overuse of technology.
- By providing a program of primary care that emphasizes education, wellness, prevention, self-help and self-reliance in family health maintenance.
- By using staff efficiently; staff are only in-house when a mother is in-house. Since birth centers do not compete with emergency services or hospital acute care, levels of staff are used efficiently and appropriately.
- By sharing responsibility with the childbearing family for health and prevention of illness.
- By using existing community services when available (instead of creating costly duplications) for transport services, social services, medical consultation, laboratories, etc.
- By using established policies and procedures for screening and transfer of women with problems to acute care services.
- By using low cost construction that meets safety codes.

### **REFERENCES**

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2. Health Insurance Association of America, *Source Book of Health Insurance Data - 1996*, 1996, Washington, DC.
3. National Association of Childbearing Centers, *NACC 1996 Annual Survey Report of Birth Center Experience*, 1997, Perkiomenville, PA.
4. Rooks, J., et al., "The National Birth Center Study: Part I - Methodology and Prenatal Care and Referrals", *Journal of Nurse-Midwifery*, Vol. 37, No. 4: 222-253, July/August, 1992
5. Rooks, J., et al., "The National Birth Center Study: Part II - Intrapartum and Immediate Postpartum Neonatal Care", *Journal of Nurse-Midwifery*, Vol. 37, No. 5: 301-340, September/October, 1992
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# The Birth Center

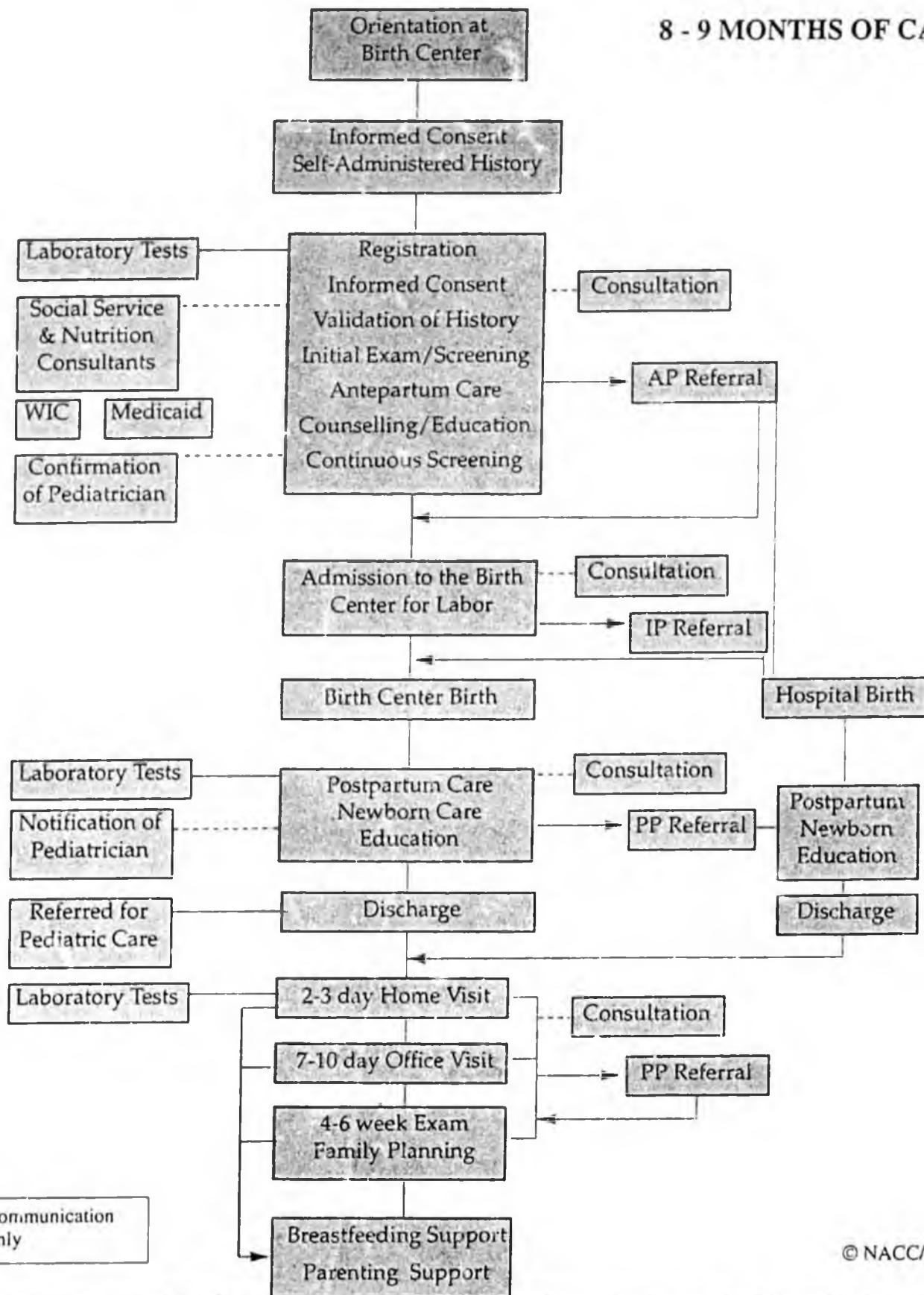
## Primary Care in an Integrated Health Care System

Ancillary Services

Birth Center/Primary Care

Hospital/Acute Care

8 - 9 MONTHS OF CARE



..... = communication only



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## ORIGINAL ARTICLE

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Volume 321:1804-1811

December 28, 1989

Number 26

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## Outcomes of care in birth centers. The National Birth Center Study

*JP Rooks, NL Weatherby, EK Ernst, S Stapleton, D Rosen, and A Rosenfield*

### Abstract

We studied 11,814 women admitted for labor and delivery to 84 free-standing birth centers in the United States and followed their course and that of their infants through delivery or transfer to a hospital and for at least four weeks thereafter. The women were at lower-than-average risk of a poor outcome of pregnancy, according to many but not all of the recognized demographic and behavioral risk factors. Among the women, 70.7 percent had only minor complications or none; 7.9 percent had serious emergency complications during labor and delivery or soon thereafter, such as thick meconium or severe shoulder dystocia. One woman in six (15.8 percent) was transferred to a hospital; 2.4 percent had emergency transfers. Twenty-nine percent of nulliparous women and only 7 percent of parous women were transferred, but the frequency of emergency transfers was the same. The rate of cesarean section was 4.4 percent. There were no maternal deaths. The overall intrapartum and neonatal mortality rate was 1.3 per 1000 births. The rates of infant mortality and low Apgar scores were similar to those reported in large studies of low-risk hospital births. We conclude that birth centers offer a safe and acceptable alternative to hospital confinement for selected pregnant women, particularly those who have previously had children, and that such care leads to relatively few cesarean sections.

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  - ▶ [Rooks, J. P.](#)
  - ▶ [Rosenfield, A.](#)
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### Source Information

Center for Population and Family Health, School of Public Health, Columbia University, New York.

## Juneau Family Birth Center

The JFBC midwives have attended **392** (as of September 30, 2003) births since opening in April 1998. This number includes all women who started their labor intending to deliver at the birth center or at home.

**1998 77 women served**

30 women prenatal care only

6 hospital support

**41 births attended**                      **Births in Juneau 407**

11 home births

27 birth center births

3 hospital transports

0 cesarean sections

**1999 118 women served**

36 women prenatal care only

5 hospital support

**79 births attended (18.8% of Juneau births-421)**

17 home births

46 birth center births

16 hospital transports

9 cesarean sections

**2000 101 women served**

39 women prenatal care only

5 hospital support

**68 births attended (16.2% of Juneau births-421)**

12 home births

48 birth center births

8 hospital transports

7 cesarean sections

**2001      118 women served**  
45 prenatal care only  
10 hospital support  
**73 births attended    (17% of Juneau births-435)**  
9 home births  
56 birth center births  
8 hospital transports  
4 cesarean sections

**2002      125 women served**  
42 prenatal care only  
14 hospital support  
**83 births attended    (20.5% of Juneau births-405)**  
14 home births  
55 birth center births  
14 hospital transports  
6 cesarean sections

**2003      140 women served (as of September 30, 2003)**  
6 hospital support  
**48 births attended**  
4 home births  
33 birth center births  
7 hospital transports  
6 cesarean sections

Total births attended to as of September 30, 2003 by JFBC  
midwives - 392

Total women served by the birth center- 700

Statistics as of August 24, 2003

Number of women transported in labor	56	15.5%
Number of cesarean sections	32	8.2%
(Number of cesarean sections nation wide		28%)
Number of transports of mom postpartum	6	1.8%
Number of transports of baby postpartum	7	1.8%
Baby deaths at birth	0	
Baby deaths before 6 weeks	2	
One of heart problems at 5 weeks		
One of a birth defect incompatible with life		
Homebirths	67	17.3%
Breastfeeding rate for the first 6 weeks		98%
(Most of our moms breastfeed for years, but we have no official way of tracking this)		
Average baby weight		8 lbs

## COST DIFFERENTIAL FOR BIRTHING CENTERS AND HOSPITALS IN ALASKA

### ANCHORAGE

Geneva Woods Birth Center	\$1200.00
Providence Hospital	\$3460.00(1)
Alaska Regional	\$3475.00(2)

### JUNEAU

Juneau Family Birth Center	\$1200.00
Bartlett Regional Hospital	\$2695.00-\$3850.00 (mom) plus \$1170.00-\$1755 (baby) (3)

### FAIRBANKS

Alaska Family Health & Birth Center	\$1200.00
Fairbanks Memorial Hospital	\$2500.00-\$3500.00 (4)

1. Quote is for Providence Hospital, uncomplicated delivery and 24 hour stay after delivery. Epidural anesthesia is \$1300.00 additional. Cesarean section is \$7104.00 for 3 day stay, not including anesthesia or physician charges.
2. Cesarean section at Alaska Regional is \$7206.00.
3. Bartlett Regional Hospital does not have all-inclusive pricing. They quote a range of prices and everything from an IV to oxygen and medication is an additional charge. Cesarean section in Juneau costs \$7203.00-\$8295.00 (mom) with an additional charge for the baby of \$1995.00-\$2310.00.
4. Fairbanks Memorial does not have all-inclusive pricing and charges for labor and delivery by the hour. Baby is an additional charge, as is any medication, oxygen, etc. Cesarean section is approximately \$8,000.00.

# FISCAL NOTE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB022-DHSS-HCS-01-18-05  
 ( ) Publish Date: \_\_\_\_\_  
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction): \_\_\_\_\_

Title ADDING BIRTH CENTERS TO FACILITIES PAID BY MEDICAID

RDU Health Care Services

Component Medicaid Services

Sponsor DAVIS

Requester \_\_\_\_\_

Component No. 2077

**Expenditures/Revenues**

(Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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 (0)</b>						
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
<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 (FY2005) cost: \_\_\_\_\_

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:**

(Attach a separate page if necessary)

One birthing center delivery with serious complications could easily offset any cost savings. Therefore, the fiscal note is for zero dollars. The number of Medicaid eligible women who might choose a birthing center instead of a hospital is unknown. In Alaska, about 2% of all births occur in a birthing center compared to less than 1% nationally. Medicaid babies are generally the most at-risk because of their circumstances. The rate of Medicaid deliveries in birthing centers would probably be lower than the statewide rate since birthing centers do not provide adequate care for high-risk pregnancies. An independent study found that the facility cost for a birthing center delivery is about 22% less than a hospital. The cost savings for 100 births is approximately \$40,000. There is a question whether birthing centers are an allowable federal Medicaid service. If birthing centers do not qualify for Medicaid reimbursement, the cost would be all GF. If they do qualify, the regular matching rate would apply.

Prepared by: Janet Clarke, Director  
 Division: Finance and Management Services  
 Approved by: Joel S. Gilbertson, Commissioner  
 Agency: Department of Health and Social Services

Phone 465-1630  
 Date/Time 01/14/2005  
 Date 01/18/2005

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## Senator Bettye Davis

### Sectional Analysis Senate Bill 22

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**Section 1.** Adds birthing centers to the definition of "health facility" for medical assistance purposes.



**GENERAL ASSEMBLY RESOLUTIONS  
Adopted October 24, 2004**

**Resolution Concerning Funding for Birthing Centers**

Whereas, birthing centers operated by certified nurse midwives offer a safe alternative to hospital deliveries and;

Whereas, the cost of delivering a baby in a birthing center is less than in a hospital and;

Whereas, certified nurse midwives currently cannot receive Medicaid reimbursement for births that occur in birthing centers;

Therefore be it resolved that the Alaska Nurses Association, through the Legislative Committee, will support certified nurse midwives efforts to obtain licensure and Medicaid reimbursement for births occurring in centers they operate.

## Our Center

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

Our midwives provide gentle, nurturing care that respects you, your family and your beliefs. We respect the birth process as it unfolds uniquely each time. We believe that pregnancy and birth are normal life processes for which a woman's body is well-designed. Each woman's experience is unique.

Midwifery care focuses on the promotion of health and individual responsibility. Midwives are experts in keeping pregnancy normal and healthy. Research has shown that midwifery care during pregnancy and birth can reduce the chance of complications while creating a positive, life enhancing experience for the whole family.



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

## Our Midwives



Debbie Gillespie, CDM, ND; Johanna Koranda, CDM; Kaye Kanne, CDM

## Midwifery Care

- ❖ Free consultation
- ❖ Individualized prenatal care
- ❖ Ultrasounds and lab ordered
- ❖ Nutrition counseling for a healthy pregnancy
- ❖ Birth in your home or at the birth center
- ❖ Labor tubs available for your comfort
- ❖ Supportive assistance and careful monitoring during labor and birth
- ❖ Emergency skills and equipment available
- ❖ Physician referrals as needed
- ❖ Doula support for hospital birth
- ❖ Postpartum care, including home visits
- ❖ Breastfeeding counseling and support
- ❖ Insurance billing is done for you. Medicaid is accepted.

## Naturopathic care

- ❖ Comprehensive natural healthcare for the whole family
- ❖ Clinical nutrition
- ❖ Herbal medicine
- ❖ Homeopathy

## Our Programs

### Young Families Program

- ❖ Pregnancy and childbirth classes just for teens
- ❖ Doula support for pregnancy, labor and birth
- ❖ Postpartum home visits
- ❖ Parenting education and support
- ❖ Mentoring support from experienced parents

### Healthy Pregnancy Project

- ❖ Preconception education
- ❖ Healthy pregnancy classes
- ❖ Individual nutrition education
- ❖ Support and education for making healthy lifestyle choices during pregnancy

## Resources available

- ❖ Complete lending library
- ❖ Prenatal vitamins and nutritional supplements
- ❖ Childbirth classes
- ❖ Pregnancy massage
- ❖ New parent support group

*Strong families are the foundation of a strong community*

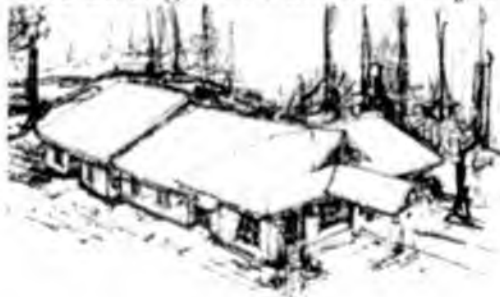
The Juneau Family Birth Center is a non-profit organization dedicated to creating a community of support for families through midwifery care, education, and counseling. We strive to affirm the sacredness of birth, honor mother's wisdom, and empower parents as they shape and nurture our future.

Our mission is to view birth as a normal, healthy, safe event. We understand that birth is a complex and powerful life experience, an empowering process for women and their entire families, the effects of which are immeasurable.

We encourage women and their families to actively participate in healthy lifestyles. We encourage women and their families to take responsibility for their births by becoming informed and prepared for pregnancy, birth, breastfeeding and parenting.

We honor women's wisdom and knowledge of their own bodies and trust the rightness of the birth process. We minimize interventions at birth, while identifying and referring women who require medical attention. We work with community medical services to assure that each woman and baby get the best possible care.

### The Strength in Families Project



#### A new Community Family Center at Salmon Creek Falls

The Juneau Family Birth Center is working to construct a new facility for families in Juneau. Call us to learn more and find out how you can help.



*If we hope to create a non-violent world where respect and kindness replace fear and hatred, we must begin with how we treat each other at the beginning of life. For that is where our deepest patterns are set. From these roots grow fear and alienation or love and trust.*

*~ Suzanne Arms*



JUNEAU  
**FAMILY BIRTH**  
CENTER



*Where love grows*

3225 Hospital Drive #106  
Juneau, Alaska 99801  
Phone (907) 586-1203  
Fax (907) 586-5765  
[www.juneaubirthcenter.org](http://www.juneaubirthcenter.org)



# Midwives Model of Care



## Personal Attention

- Prenatal visits that allow plenty of time for questions and answers – 30 to 60 minutes for each prenatal appointment is common
- Meaningful discussions to explore and help resolve fears and concerns you or your family may have
- Caring attention to develop a trusting and nurturing relationship with you and your family that can help you to labor and give birth naturally and safely

## Plenty of Information

- Plenty of information about pregnancy, birth, and the newborn and about breastfeeding and newborn care
- Suggestions about ways you can take good care of yourself and your baby
- Encouragement and practical suggestions for you to have good nutrition and make healthy lifestyle choices
- Full information about any recommended tests, procedures, or treatments so you can make informed choices about your care

## Appropriate Monitoring

- Regular and thorough check-ups for you and your baby throughout your pregnancy, during labor, and after the birth, to make sure both of you are healthy and doing well.
- Recommendations for diagnostic technology when appropriate.
- Planning with you for the unexpected and for the rare emergency
- Referrals to other health care specialists or to a different birth setting if needed
- Expertise in normal, natural childbirth. Because they are experts in normal pregnancy and birth, midwives are experienced in the variations of normal birth and recognize the early signs of conditions that are not "normal," including medical conditions or complications that may occasionally arise during pregnancy or the birth process

## Confidence in Your Body

- Help with discovering your own body's ability to give birth in its own way and in its own time
- No routine treatments or arbitrary timetables that can interfere with your body's healthy process of laboring and giving birth
- Truly individualized care, privacy and natural childbirth
- Support for doing the work of giving birth. Rather than someone else "delivering" the baby, you are empowered to give birth to your own baby yourself!

## Natural Techniques for Comfort

- Help you cope with the discomfort of labor. Midwives have found that encouragement, massage, relaxation, laboring in water, changing positions, and other approaches are often very effective
- Encourage the progress of labor and help you give birth to your baby gently and lovingly
- Help you avoid risks (to yourself and to your baby) that are associated with many standard medical techniques and hospital protocols

## A Care Provider Who Stays With You

- Attentive, sensitive care and emotional support in tune with your needs throughout labor. Research has shown that having a "sympathetic female companion" with you all through labor and delivery reduces the chance of complications and the likelihood of an unnecessary cesarean section. The Midwives Model of Care means that your midwife stays with you and "mothers the mother"
- Post-partum care and help with breastfeeding. After your baby is born, the midwife will stay with you until breastfeeding is established and both you and your baby are resting comfortably. She will arrange a visit after the birth to check you and your baby and to answer any questions

Will you receive the Midwives Model of Care from your midwife or doctor? Use this information to ask detailed questions when choosing your caregiver and deciding where you want to give birth. It's also a good idea to question others who have used the caregiver. At present, this degree of individualized and supportive care is most typically provided by midwives in homes and birth centers. Someday, this kind of care will be available in all settings.

## What to Expect from a caregiver who provides the Midwives Model of Care:

### Respectful Treatment

- Gentle, nurturing care that respects you, your family and your beliefs.
- Respect for your informed decisions about medical tests, recommendations and interventions.
- Willingness to support your birth plan, including any family members and friends you may want present at the birth
- Freedom to move, eat, bathe – to do what helps you during labor and birth; your midwife does not "prohibit" or "allow," but patiently supports and guides you as needed.
- Respect for the birth process as it unfolds uniquely each time. Although amazing, being pregnant and giving birth are actually normal life processes for which a woman's body is well-designed. Each woman's experience is unique.
- Respectful care regardless of setting, although at present this kind of care is most readily found in homes and birth centers.





Midwives  
Model of Care

The Midwives Model of Care is based on the fact that pregnancy and birth are normal life processes.

The Midwives 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 woman-centered model of care has been proven to reduce the incidence of birth injury, trauma and cesarean section.

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Midwives  
Model of Care

Personal,

Practical and

Professional



Citizens for Midwifery

Learn, Connect and Take Action

The goal of Citizens for Midwifery is to see that the Midwives Model of Care is available to all childbearing women and universally recognized as the best kind of care for pregnancy and birth. Citizens for Midwifery also endorses the Mother-Friendly Childbirth Initiative.

Citizens for Midwifery  
1-888-236-4880  
PO Box 82227  
Athens, GA 30608  
www.cfmidwifery.org

Midwives Model of Care  
www.midwivesmodelofcare.org

## Congratulations!

*You are about to experience  
the birth of your baby!*

Women in the United States are learning that pregnancy and childbirth are normal, healthy processes, not diseases. They are finding out that they and their families can benefit from the care of a midwife.

The Midwives Model of Care includes prenatal visits and "hands-on" care throughout labor, birth and right after. It results in less chance of complications, fewer interventions, and a healthier birth for you and for your baby.

Women are discovering that the hospital is not the only option for safe birth. Women are most likely to labor best in a place where they feel free, safe and private, with attendants whom they know and trust.

Many women find that they feel most comfortable at home or in a birth center, with the ongoing attention and nurturing care of a midwife or doctor trained in gentle, natural, safe childbirth – someone who is an expert in normal birth and provides the Midwives Model of Care.



Pregnancy and childbirth involve every part of you. Feelings, hopes, fears, physical and practical needs, and spiritual or religious beliefs can all affect your pregnancy and birth. A midwife providing the Midwives Model of Care addresses all of these aspects to help you give birth naturally, safely and confidently. In addition, women who experience this type of care report feelings of great satisfaction and empowerment!

Compared to standard medical management, the Midwives Model of Care is a fundamentally different approach to pregnancy and childbirth.

This pamphlet explains what to expect with the Midwives Model of Care, and how this kind of care can help make your childbirth experience a joyous life event.



JUNEAU  
FAMILY BIRTH  
CENTER

3225 Hospital Drive Suite 106, Juneau, AK 99801  
(907) 586-1203 fax (907) 586-5765

01/18/2005

Dear Senator Dyson,

I am a Certified Direct-Entry Midwife and an Executive Director of the Juneau Family Birth Center, a non-profit registered birth center here in Juneau. I have worked on midwifery issues in Alaska since 1984 and look forward to helping to clarify for you midwifery and birth center issues. I served on the State Licensing Board for Certified Direct-Entry Midwives from its inception in 1992 until 2000.

Midwifery is a growing profession, as I am sure you are aware. Alaska's Certified Direct-Entry Midwives deliver almost 10% of the babies in Alaska. This is an amazing statistic considering that nationwide, Direct-Entry Midwives attend 2% of the births. Alaska is at the forefront of midwifery and other states look to our law when crafting legislation.

Thank you for your support of **SB 22**, a bill adding birth centers to the list of facilities that Medicaid will cover. At this time, Medicaid does not cover our \$1800 facility fee, which is covered by all insurance companies. Because we are a nonprofit birth center, we choose to donate the birth center facility fee to those that can not afford to pay, which applies to most people on Medicaid. This means a loss of \$1800 revenue for any Medicaid or Denali Kid Care client that we accept. Other birth centers in Alaska cannot do this. **This translates to women choosing a hospital birth over a birth center birth, at much greater expense to the State of Alaska Medicaid Program.** At the same time, Medicaid pays hospital facility fees of 5 to 10 times more for a birth. If Medicaid paid the birth center facility fee, more women would have the option of birth center birth and the state would realize a savings of thousands of dollars per birth.

Midwifery care translates to fewer technological interventions and better outcomes which means even more long term savings of state dollars.

I appreciate your support on this bill. I would be happy to meet with you if you need more information.

Sincerely,

Kaye Kame, CDM  
Executive Director,  
Juneau Family Birth Center

# THE BIRTH CENTER EXPERIENCE

## Birth Centers Lead Cost Containment Efforts While Providing Quality Care

*"Few innovations in health service promote lower cost, greater availability, and a high degree of satisfaction with a comparable degree of safety. The results of this study suggest that modern birth centers can identify women who are at low risk for obstetrical complications and care for them in a way that provides these benefits."*

New England Journal of Medicine, 12/28/89

### *What is a birth center?*

- The birth center is a homelike facility, existing within a healthcare system with a program of care designed in the wellness model of pregnancy and birth.
- Birth centers are guided by principles of prevention, sensitivity, safety, appropriate medical intervention, and cost effectiveness.
- Birth centers provide family-centered care for healthy women before, during and after normal pregnancy, labor and birth.

### *What is the birth center experience?*

- The quality of care in birth centers reported in the "The National Birth Center Study" reflects the low overall intrapartum and neonatal mortality rate of 1.3/1000 births; 0.7/1000 if lethal anomalies are excluded. These rates are comparable to studies of low risk, in-hospital births.<sup>1</sup>
- The cesarean section rate for women receiving care in birth centers averages 4.4%, approximately one half that in studies of low risk, in-hospital births.<sup>1</sup>
- Birth centers nationally have consistently displayed charges for care for normal birth that average up to 50% less than regular hospital stays and 30% less than short stays - including practitioner fees.<sup>2, 3</sup>
- More than half of birth centers include routine laboratory exams, childbirth education, home visits, extra office visits, and initial newborn examinations in their charges.
- Most major health insurers reimburse contract with birth centers for reimbursement. Because charges reflect cost and since the birth center is a single service unit, there is no opportunity for cost shifting or operating the birth center as a "loss leader" to other services.
- 98.8 percent of women using the birth center would recommend it to friends and/or return to the center for a subsequent birth.<sup>1</sup>

### ***What are the potential benefits to families?***

- The birth center approaches pregnancy and birth as a normal family event until proven otherwise. The program encourages family involvement and provides a safe environment for families to experience the social, emotional, and spiritual renewal inherent in birthing forth new life – while attending to the possibility that a problem may arise that will require medical intervention or care in the acute care setting of the hospital. This is in opposition to the view that pregnancy is an illness and birth a medical/surgical event that needs to be cured.
- The birth center program of education encourages parents to become informed and self-reliant; to assume responsibility for their own health and the health of the family.
- The birth center brings generations together to celebrate new life by encouraging grandparents and children to participate in the birth center program.
- Birth centers have demonstrated that they are a viable alternative to unattended home birth and to costly hospital acute care for 20 years. It is now time to mainstream these services.

### ***What are the benefits to business and industry?***

- Birth centers offer business and industry direct savings in the cost of health benefits. If only 100,000 births were attended in birth centers, annual savings could be almost \$314 million.<sup>2, 3</sup>
- The birth center program provides a starting base for the wellness and prevention programs being established in industry.
- The family is the hinge pin of the employee. Industry's support of a program that encourages family unity, self-determination and responsible health can only improve employee performance.
- Birth center care encourages childbearing women (who may also be employees) to be confident in the design of their bodies. Such confidence, in turn, builds self-esteem and starts the young family off on thinking of pregnancy, birth and family health as wellness, not disease.
- The nine-month intensive focus on improving family health by promotion of lifestyle changes in pregnancy can have a significant ripple effect in the long-term improvement of family health.

### ***How will it affect the hospital acute care service?***

- Birth centers have had a major impact on humanizing the acute care maternity services provided by hospitals. Note the rise in hospital birthing rooms, in privileges for nurse-midwives, in childbirth education programs, and in more liberal attitudes about family participation.
- Birth centers are showing that the majority of women can safely proceed through pregnancy and birth using acute care services only as needed. In a wellness orientation to pregnancy and birth, birth centers would be the managed care gatekeepers for the acute care obstetric newborn services.
- Birth centers eventually will help to reduce the number of costly hospital beds and expand primary care services.
- Birth centers will help to reduce dependency fostered by institutional confinement and strengthen the family's ability to share responsibility for maternity care and family health.
- Birth centers will help to develop a system of care based first, on the needs of the family and second, on the needs of medical education or product promotion.

### ***How will it affect the obstetricians?***

- Birth centers provide an opportunity for obstetricians and family physicians to learn and practice midwifery - time and education intensive, "with woman" - care.
- Birth centers provide an opportunity for obstetricians to invest in a service in which they can expand their interests.
- Birth centers offer obstetricians an opportunity to develop teams of professional care providers that will improve primary care services to families and better use their specialist skills.

### ***How is the quality of care assured in birth centers?***

- Through the promotion of state regulations for licensure (37 states currently license birth centers).
- Through established National Standards (adopted 1985).
- Through a Continuous Quality Improvement Program for Birth Centers (model program available)
- Through accreditation by the Commission for the Accreditation of Birth Centers.

### ***How do birth centers contain costs?***

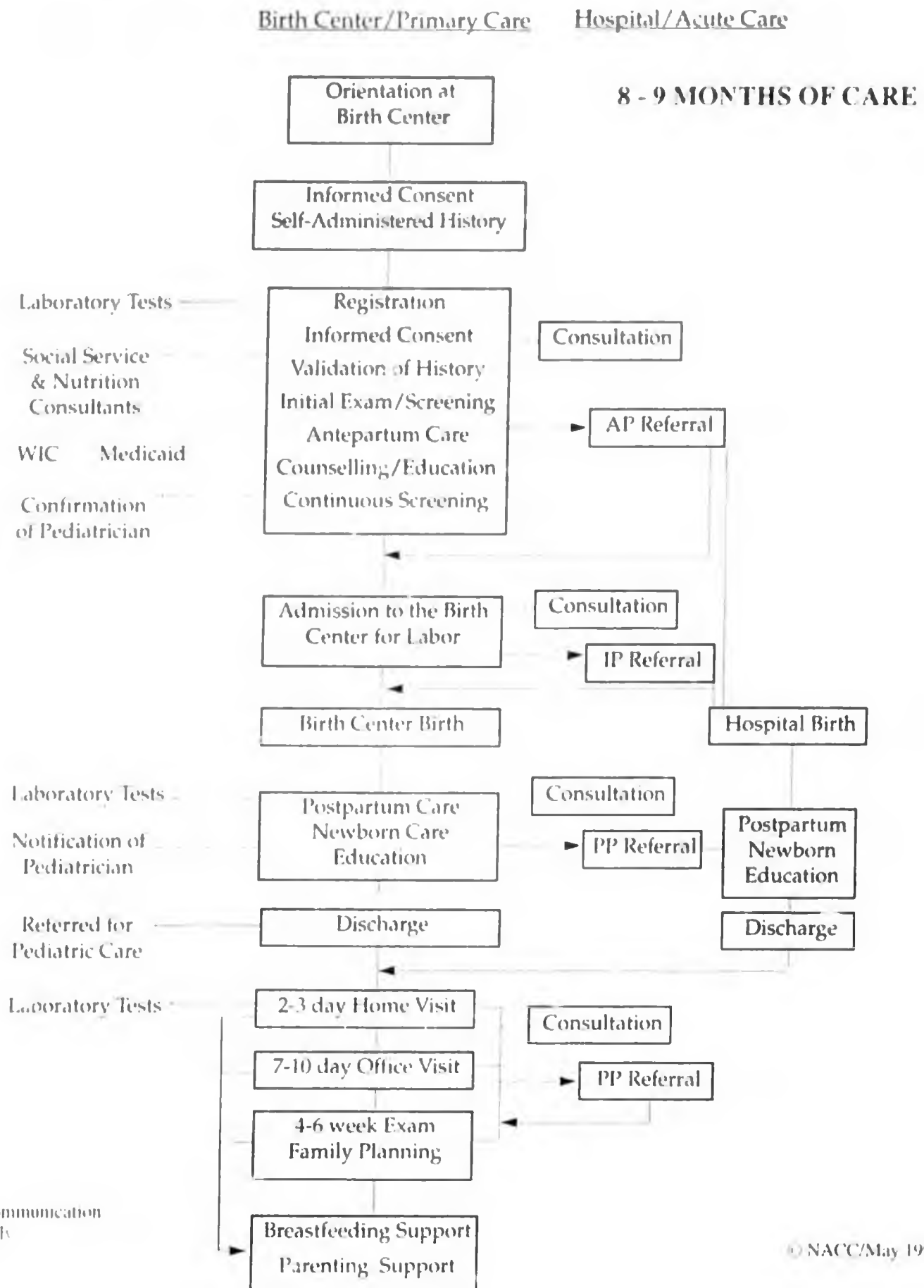
- By retaining autonomy (control) over birth center operations and program regardless of ownership (some hospitals own freestanding birth centers).
- By providing "high touch" rather than "high tech" care, birth centers minimize the overuse of technology.
- By providing a program of primary care that emphasizes education, wellness, prevention, self-help and self-reliance in family health maintenance.
- By using staff efficiently; staff are only in-house when a mother is in-house. Since birth centers do not compete with emergency services or hospital acute care, levels of staff are used efficiently and appropriately.
- By sharing responsibility with the childbearing family for health and prevention of illness.
- By using existing community services when available (instead of creating costly duplications) for transport services, social services, medical consultation, laboratories, etc.
- By using established policies and procedures for screening and transfer of women with problems to acute care services.
- By using low cost construction that meets safety codes.

### **REFERENCES**

1. Rooks, J., et al., "Outcomes of Care in Birth Centers: The National Birth Center Study", *New England Journal of Medicine*, 321:1804-1811, (December 28), 1989
2. Health Insurance Association of America, *Source Book of Health Insurance Data - 1996*, 1996, Washington, DC
3. National Association of Childbearing Centers, *NACC 1996 Annual Survey Report of Birth Center Experience*, 1997, Perkiomenville, PA.
4. Rooks, J., et al., "The National Birth Center Study: Part I - Methodology and Prenatal Care and Referrals", *Journal of Nurse-Midwifery*, Vol. 37, No. 4: 222-253, July/August, 1992
5. Rooks, J., et al., "The National Birth Center Study: Part II - Intrapartum and Immediate Postpartum Neonatal Care", *Journal of Nurse-Midwifery*, Vol. 37, No. 5: 301-340, September/October, 1992
6. Rooks, J., et al., "The National Birth Center Study: Part III - Intrapartum and Immediate Postpartum Neonatal Complications and Transfers, Postpartum and Neonatal Care, Outcomes and Client Satisfaction", *Journal of Nurse-Midwifery*, Vol. 37, No. 6: 361-397, November/December, 1992

# The Birth Center

## Primary Care in an Integrated Health Care System



Medicaid pays facility fees in the following states

California	\$1000
Tennessee	\$1800
Massachusetts	\$1200
Maryland	\$1300
North Carolina	\$1400
Connecticut	\$1800
Georgia	\$700
Arizona	\$1195
Pennsylvania	\$1000
Washington, DC	\$1500
Washington	\$800
Oregon	\$1600

**Murray Buttner, M.D.  
P.O. Box 1112  
Cordova, AK 99574  
murray@ilanka.org**

**Senator Fred Dyson  
State Capitol, Room 121  
Juneau, AK 99801-1182**

**January 14, 2005**

**Dear Senator Dyson,**

**Thank you for co-sponsoring Senate Bill 22 which would add birthing centers to the list of health facilities eligible for payment of medical assistance for needy persons.**

**I have learned from my experiences practicing in New Mexico, New York and Juneau that there can be a lot of political and economic friction between hospitals and birth centers. As you know, Jen and I recently had our baby daughter Natalie at the Geneva Woods Birth Center in Anchorage. We had a fantastic experience. I guess that you could say that we are pro-birth center. But as a family practice physician and an obstetrical nurse who have worked at the Alaska Native Medical Center in Anchorage, Bartlett Hospital in Juneau, and the Cordova Community Medical Center here in Cordova we are by no means anti-hospital. The reality is that hospitals and midwifery birth centers complement each other. Moreover, they give women and their families choices when it comes to the important and intimate decision of where they will have their baby.**

**Last week I tried to refer one of my patients to the birth center in Anchorage and was surprised to find out that Denali Kid Care would not cover the facility fee at the birth center. I would like to give you the details, because I think that they are illustrative:**

My patient is a Vietnamese-American, 30 years old, married with two children. She and her husband own a small business. They would like to have their baby here in Cordova, as they did with their last child. Unfortunately, the hospital here is not currently doing deliveries. Given that she is having a low-risk pregnancy, she is a candidate for a birth center delivery; therefore I gave the patient and her husband the choice of being referred to an obstetrician or midwife at Providence or a midwife at the birth center. They chose the birth center and so I made the referral. Due to the fact that the wife speaks limited English and the fact that they have two little girls here and no family in Anchorage, the whole family will be traveling to Anchorage when the patient is 37 weeks to await onset of labor. Denali Kid Care will pay for the patient's travel and lodging in Anchorage. The family will have to pay for the travel expenses of the husband and daughters. In addition they will have the costs of shutting down their business for three weeks. Now here is the interesting part: because Medicaid does not cover the facility fee for a birth center, the family will have to pay close to one thousand dollars out of pocket if they have the baby at the birth center. If they go to Providence instead, where they would be using the same midwife, the facility fee will be covered.

This would make sense if hospitals were cheaper than birth centers, as the state could say that it was trying to use the tax payers' money most efficiently, but actually the opposite is the case. Hospitals are far more expensive than birth centers, even when you control for patient type (severity of illness, complications, etc.). If the state was concerned about economic efficiency it should be encouraging healthy women to have their babies at birth centers.

There is absolutely a place for hospital obstetrics (that's where I have done all of my deliveries) and women should be able to choose to have a hospital birth. But low-income women should be able to choose a birth center if they meet the criteria. I see

**no justified role for the state to be subsidizing hospitals at the expense of birth centers.**

**Please do not hesitate to contact me if I can be of any assistance as this important legislation moves forward.**

**Sincerely,**

A handwritten signature in cursive script, appearing to read "Murray Batten". The signature is written in dark ink on a white background.

## **SENATE BILL 22 REIMBRUSE BIRTHING CENTERS THRU MEDICAID**

Senate Bill 22 would add birthing centers as a service reimbursable under Medicaid. The bills are silent about any similar requirements being applied to private insurers. SB 294 adds birthing centers to the definition of health facilities in the Medicaid statute. SB 349 would require the Department of Health and Social Services to license birthing centers (currently these facilities are registered with the department), a requirement to receive reimbursement under Medicaid. Similar concepts have been introduced to several previous legislative sessions.

To be covered under Title XIX Medicaid and be eligible for federal financial participation, birthing centers or midwifery birthing centers would have to meet specific conditions of a federally recognized facility type. There is no category of "birthing center" or "midwifery birthing center" as a facility type in Medicaid law or regulation. Covering birthing centers as clinics may not be possible, as these facilities need to provide services under the direction of a physician or dentist. Even with such supervision, the requirements that professional and facility services be reimbursed as one might make it impractical.

At least one state has covered birthing centers as Ambulatory Surgical Centers (ASC). Under this model, professional fees are separate from the facility fee, thus this model would be consistent with the current state legal definition of a direct entry midwife. Alaska would need to submit and obtain federal approval for a Medicaid state plan amendment to add birthing centers under this category in order to obtain federal matching funds.

Recently, the federal government (CMS) has become more conservative in approving state plan amendments related to facility reimbursement. It may be more difficult to obtain a state plan approval today than in the past.

If a decision is made to reimburse midwifery birthing centers even if they do not fit the above criteria, or we are unable to obtain Medicaid state plan approval, then this new service would be reimbursed with General Fund only.

Estimating the financial impact to the state is very difficult, whether federal funds are available or not. Of the 9938 births in 2002;

246 were in birthing centers  
152 in the home, and  
9,385 in hospitals

Of the births in 2003;

207 were in birthing centers  
182 in the home, and  
9,390 were in the hospital

In 2001, the last year for which we have data, about 50% of the births were reimbursed with Medicaid funding. Assuming the number of births and proportion that are covered by Medicaid continue at about the same level, and the birthing center fee is \$1,800, the annual additional cost to the state would be at least \$72,000 if we can obtain Medicaid state plan approval, and over \$180,000 if we cannot. We used \$1,800 as the facility fee, based on some information provided by a birthing center in the state about their charges and West Cost charges. If we are required to begin reimbursing these birthing centers the actual Medicaid reimbursement amount may differ.

There would be costs associated with implementing new coverage of birthing centers. There would be implementation costs associated with developing regulations and making modifications to the claims payment system. There would be the ongoing costs of licensing these facilities. Furthermore, Medicaid already pays the professional fees (e.g., midwife charges) associated with some deliveries in birthing centers. For those cases, covering birthing centers will simply add to the total Medicaid cost of delivery, as discussed above. Based on the data above, it seems that decline in the use of birthing centers has largely come from a shift to home delivery; we do not know if lack of Medicaid coverage for birthing center fees has contributed to this shift. Providing Medicaid coverage of birthing centers could have the effect of shift deliveries back from home to birthing centers, increasing costs even more.

Should Medicaid begin covering the birthing facility fee, some number of births occurring in the hospital setting will shift to birthing centers; on average, the total cost for those births would be lower. However, it is highly uncertain how large this shift would be, how quickly it would occur, and

whether any cost reductions achieved would offset the new cost of birthing center fees Medicaid would pay for deliveries currently occurring at home in or birthing centers.

In short, we know for certain that there will be costs associated with adding coverage of birthing centers. It is far less certain that there will be sufficient savings to offset those costs.

**Senator Bettye Davis**



**Letters of Support**

**Senate Bill 22**

**Medicaid Coverage For Birthing Centers**

**Sen. Bettye Davis**

---

**From:** alaskatora [alaskatora@alaska.net]  
**Sent:** Tuesday, January 11, 2005 6:14 PM  
**To:** Sen. Bettye Davis  
**Subject:** sb 22  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Senator Davis:

On behalf of myself, my partner, and all of the clients we serve; thank you so much for your co-sponsorship of SB22 today! Please let us know what we can do to continue moving this Bill. Warmly, Tora Gerrick and Angelio Davis. The Midwives Birth Center, LLC Anchorage. 907-349-3054.



## Geneva Woods Birth Center

Barbara Norton, CNM, ANP  
Geneva Woods Birth Center  
3730 Rhone Circle, Suite 102  
Anchorage, AK 99508

Honorable Senators Dyson, Green, Elton, Wilken, and Olson,

I would like to take this opportunity to discuss with you my support for Senate Bill 22. As I'm sure you're aware, this Act would add birthing centers to the list of health facilities eligible for payment of medical assistance for needy persons. There are many reasons why birthing centers should be among these eligible health facilities, the most compelling of which are *cost savings to the State of Alaska*, and *client choice*.

The cost savings realized through the use of Birthing Centers are two-fold. First, the facility fee at a Birthing Center is equal to approximately one-third the price of a hospital stay for normal childbirth. Secondly, additional savings can be realized through the significant reduction in medical intervention for both the mother and the baby that characterizes Birthing Center births. In birthing centers, mothers don't have continuous electronic fetal monitoring, which has been shown to *increase* the cesarean section (c-section) rate, without improving outcomes for babies or mothers. They don't receive epidural anesthesia, which not only costs roughly \$2,000 by itself, but is often accompanied by the necessary use of pitocin to enhance the strength of labor, internal fetal monitoring, and forceps, or vacuum assisted deliveries. A hospital birth involving all of the above-mentioned interventions can cost upwards of \$7000 to \$10,000 for a 'natural' birth. (A birth by cesarean section can cost more than \$20,000.) The current c-section rate at the Geneva Woods Birth Center is 3%, while the current national c-section rate is 26%. This is a *significant* difference, with enormous cost-saving implications. Women in birthing centers give birth the "old fashioned way"; surrounded by family, unmedicated, and without unnecessary medical interventions.

In our practice, *Midwifery & Women's Health Care at Geneva Woods*, there are many women who would choose to give birth in our birthing center if the facility fee were paid by Denali Kid Care, but are obligated instead to go to the hospital, where the facility fee is covered. We estimate that each year there are between thirty to fifty women, in our practice alone, who would choose this lower-cost birth center option, if given a choice. This could potentially result in a savings to the state of \$60,000 to \$100,000 for *our clients alone*, each year. There are currently six other Birth Centers in the state.

A relatively large percentage of women choose out-of-hospital birth in Alaska, as compared to women in the lower 48 (6% in Alaska compared to 2% nationwide). Each year the number of women who choose to have their babies in our Birth Center grows by more than 30%. Clearly, when presented with the choice, an increasing number of women are choosing Birth Centers. If Birth Center facility fees were to be reimbursed by Denali Kid Care, the option of a Birth Center birth could be made available to even more women, allowing us health care providers to offer better service and more choice to our clients, while enabling the state to save money on the Denali Kid Care plan.

Thank you for your time and consideration in this matter.

Sincerely,

*Barbara Norton CNM ANP*  
Barbara Norton, CNM, ANP



**GENERAL ASSEMBLY RESOLUTIONS  
Adopted October 24, 2004**

**Resolution Concerning Funding for Birthing Centers**

Whereas, birthing centers operated by certified nurse midwives offer a safe alternative to hospital deliveries and;

Whereas, the cost of delivering a baby in a birthing center is less than in a hospital and;

Whereas, certified nurse midwives currently cannot receive Medicaid reimbursement for births that occur in birthing centers;

Therefore, be it resolved that the Alaska Nurses Association, through the Legislative Committee, will support certified nurse midwives efforts to obtain licensure and Medicaid reimbursement for births occurring in centers they operate.

**Senator Bettye Davis**



**Letters of Support**

**Senate Bill 294**

**(23<sup>rd</sup> Alaska Legislature)**

**Medicaid Coverage For Birthing Centers**



## Geneva Woods Birth Center

Barbara Norton, CNM, ANP  
Geneva Woods Birth Center  
3730 Rhone Circle, Suite 102  
Anchorage, AK 99508

Honorable Senators Dyson, Green, Davis, Wilken, and Guess,

I would like to take this opportunity to discuss with you my support for Senate Bill 294. As I'm sure you're aware, this Act would add birthing centers to the list of health facilities eligible for payment of medical assistance for needy persons. There are many reasons why birthing centers should be among these eligible health facilities, the most compelling of which are *cost savings to the State of Alaska, and client choice.*

The cost savings realized through the use of Birthing Centers are two-fold. First, the facility fee at a Birthing Center is equal to approximately one-third the price of a hospital stay for normal childbirth. Secondly, additional savings can be realized through the significant reduction in medical intervention for both the mother and the baby that characterizes Birthing Center births. In birthing centers, mothers don't have continuous electronic fetal monitoring, which has been shown to *increase* the cesarean section (c-section) rate, without improving outcomes for babies or mothers. They don't receive epidural anesthesia, which not only costs roughly \$2,000 by itself, but is often accompanied by the necessary use of pitocin to enhance the strength of labor, internal fetal monitoring, and forceps, or vacuum assisted deliveries. A hospital birth involving all of the above-mentioned interventions can cost upwards of \$7000 to \$10,000 for a 'natural' birth. (A birth by cesarean section can cost more than \$20,000.) The current c-section rate at the Geneva Woods Birth Center is 3%, while the current national c-section rate is 26%. This is a *significant* difference, with enormous cost-saving implications. Women in birthing centers give birth the "old fashioned way"; surrounded by family, unmedicated, and without unnecessary medical interventions.

In our practice, *Midwifery & Women's Health Care at Geneva Woods*, there are many women who would choose to give birth in our birthing center if the facility fee were paid by Denali Kid Care, but are obligated instead to go to the hospital, where the facility fee is covered. We estimate that each year there are between thirty to fifty women, in our practice alone, who would choose this lower-cost birth center option, if given a choice.

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\* Please refer to the enclosed copy of the results of a study conducted by Judith Rooks, PhD, documenting the safety of Birth Center births.

This could potentially result in a savings to the state of \$60,000 to \$100,000 for our clients alone, each year. There are currently six other Birth Centers in the state.

A relatively large percentage of women choose out-of-hospital birth in Alaska, as compared to women in the lower 48 (6% in Alaska compared to 2% nationwide). Each year the number of women who choose to have their babies in our Birth Center grows by more than 30%. Clearly, when presented with the choice, an increasing number of women are choosing Birth Centers. If Birth Center facility fees were to be reimbursed by Denali Kid Care, the option of a Birth Center birth could be made available to even more women, allowing us health care providers to offer better service and more choice to our clients, while enabling the state to save money on the Denali Kid Care plan.

Thank you for your time and consideration in this matter.

Sincerely,

*Barbara Norton CNM, ANP*

Barbara Norton, CNM, ANP



JUNEAU  
FAMILY BIRTH  
CENTER

3225 Hospital Drive Suite 106, Juneau, AK 99801  
(907) 586-1203 fax (907) 586-5765

03/12/2004

Dear Legislator

I am a Certified Direct-Entry Midwife and an Executive Director of the Juneau Family Birth Center, a non-profit registered birth center here in Juneau. I have worked on midwifery issues in Alaska since 1984 and look forward to helping to clarify for you midwifery and birth center issues. I served on the State Licensing Board for Certified Direct-Entry Midwives from its inception in 1992 until 2000.

Midwifery is a growing profession, as I am sure you are aware. Alaska's Certified Direct-Entry Midwives deliver almost 10% of the babies in Alaska. This is an amazing statistic considering that nationwide, Direct-Entry Midwives attend 2% of the births. Alaska is at the forefront of midwifery and other states look to our law when crafting legislation.

I would like your support of SB 294, a bill adding birth centers to the list of facilities that Medicaid will cover. At this time, Medicaid does not cover our \$1800 facility fee, which is covered by all insurance companies. This means a loss of \$1800 revenue for any Medicaid or Denali Kid Care client that we accept. At the same time, Medicaid pays hospital facility fees of 5 to 10 times more for a birth. The Juneau Family Birth Center has chosen to write off the loss instead of requiring payment from clients who are financially stressed. Other birth centers in Alaska cannot do this. **This translates to women choosing a hospital birth over a birthcenter birth, at much greater expense to the State of Alaska Medicaid Program.**

I appreciate your support on this bill. I would be happy to meet with you if you need more information.

Sincerely,

Kaye Karne, CDM  
Executive Director,  
Juneau Family Birth Center

## **Moonlight Midwifery**

Laura Gore C.D.M.  
P.O. Box 112091  
Anchorage, Alaska 99511

March 2, 2004

Honorable Senators Dyson, Green, Davis, Wilken, and Guess,

I am writing to offer my support for Senate Bill 294. This bill would add birthing centers to the list of health facilities eligible for payment of medical assistance for eligible recipients (those qualifying for Medicaid). The state of Alaska already provides reimbursement to providers for services provided in the birth center setting. This bill will be a cost saving measure for medical assistance by increasing the amount of low risk women able to use birthing centers thus saving on costly hospital births by women who would prefer to birth at a birthing center.

A facility fee for a birth center is approximately one-third the price of a hospital birth. In addition to the overall lower price of the facility fee, savings are also realized through the reduction of costly additional medical interventions often seen in the hospital.

This Bill would make choosing a birthing center a viable option for all low risk women, regardless of their financial status, and would be a cost saving measure for the State of Alaska.

Sincerely,

Laura Gore C.D.M.  
Certified-Direct Entry Midwife

Sharon K. Evans, CPM, CDM  
PO Box 67  
Palmer, AK 99645  
March 3, 2004

**Subject: Senate Bill 294**

Dear Senator:

I am writing this letter in support of SB 294, which would add birth centers to the list of facilities paid by Medicaid. I have practiced midwifery primarily in Alaska for 20 years, working as a midwife and preceptor for midwifery students. I have participated in the evolution of maternity care services in Alaska and have watched the demand for quality, cost-effective healthcare, in particular out-of-hospital birth, steadily increase.

The cost of out-of-hospital birth is substantially less (50-70%) than a hospital birth. The average charges for a birth center delivery (including practitioner fees) is approximately \$3500.00. The average cost for a hospital birth room alone is approximately \$5400.00. In states where birth centers are paid by Medicaid, savings of 30% to 50% over hospital charges in the same communities were reported. At a time when Medicaid funding may be cut, millions of dollars could be saved annually if Medicaid was paying birth centers instead of hospitals.

Medicaid recipients should have the same options for birth as self-paying people (or those with insurances that do reimburse birth centers). As has been demonstrated by other states, implementation of SB 294 offers a promise of lower cost, greater availability, and a comparable degree of safety, as has been consistently shown for more than a decade of freestanding birth center operation. For the sake of the Alaska public, I am asking that you support this Bill.

Sincerely,

*Sharon K. Evans, CPM, CDM*

Sharon K. Evans, CPM, CDM

# Mat-Su Midwifery, Inc.

2630 Broadview Ave., Wasilla, AK 99654

907-373-3420 Fax 907-376-7847

March 1, 2004

Subject: Senate Bill 294

Dear Senator:

I am writing this letter in support of SB 294, which would add Birth Centers to the list of facilities which are paid by Medicaid.

I am the owner/operator of a birth center in Wasilla, AK. We serve a birthing population that extends from Glennallen to Eagle River. We deliver over 100 babies per year, and approximately 90% qualify for Denali Kid Care or Medicaid. Our birth facility fee for out-of-hospital birth is \$1200.00. Insurances currently pay this amount. Medicaid recipients must pay out-of-pocket. This cost dissuades many from using our birth facility. The average cost for a hospital birth room in our area starts at \$3000.00

In states where birth centers are paid by Medicaid, savings of 30% to 50% over hospital charges in the same communities were reported. At a time when Medicaid funding may be cut, millions of dollars could be saved annually if Medicaid was reimbursing birth center facility fees.

Medicaid recipients should have the same options for birth as self-paying people (or those with insurances that do reimburse birth centers). As has been demonstrated by other states, implementation of SB 294 offers a promise of lower cost, greater availability, and a comparable degree of safety, as has been consistently shown for more than a decade of freestanding birth center operation.

Please consider the cost savings SB 294 represents to the citizens of our state.

Sincerely,

*Judi Davidson, CDM, CPM*

Judi Davidson, CDM, CPM

**Subject: Bill 294**

**Date: Mon, 23 Feb 2004 14:28:47 -0900**

**From: Sean & Jennina Rheault <rheaults@gci.net>**

**To: Senator\_Bettye\_Davis@legis.state.ak.us**

I had my first child in a Birth Center in Anchorage, it was a great experience, I was only in labor for 5 hours, before my daughter was born.

I am now on Denali Kid Care, and am hoping this bill will make it possible to deliver my second and last child at the birth center also, as I cannot afford even the reduced rate the birth center offers me because I am on Denali Kid Care. It is more comfortable, less invasive, and I personally feel that the care recieved is excellent. Women have choices to keep children or not and I think they should have the choice to deliver at a birth center if they choose to do so. I believe it would save the state probably about \$2,000 per delivery compared with an average hospital delivery.

Please take my opinion into consideration making your decision on this bill.



## Alaska Family Health & Birth Clinic

728 Gaffney Rd. Suite 100, Fairbanks, Alaska 99701 • (907)456-3719

March 3, 2004

RE: Senate Bill 294  
Senate Bill 349

I am writing in support of SB294 and SB349. These bills would require all birth centers to be licensed and provide for Certified Direct entry Midwives to be the attendants at these births. This would provide a safe alternative to low risk women at a savings to the State for all Medicaid and Denali Kid Care patients. Certified Direct Entry Midwives typically have a high percentage of Medicaid and DKC clients and charge 50 - 75% less overall for prenatal care and childbirth services. CDEMs are currently doing homebirths or working in birth centers that may be registered through the State but do not have any licensing provisions. These bills would provide for consistent quality for all birth centers.

Thank You.

Cheryl Corrick  
Certified Direct Entry Midwife



## Alaska Family Health & Birth Clinic

728 Gallinay Rd. Suite 100, Fairbanks, Alaska 99701 • (907)456-3719

March 3, 2004

Subject: Senate Bill 294  
Senate Bill 349

My name is Dana Brown and I have been a licensed Certified Direct Entry Midwife (CDEM) since January 1993. I am writing in Support of SB294 and SB349.

I am the director of Alaska Family Health & Birth Center, a non-profit registered birth center. I am in favor of all birth centers becoming licensed with inclusion of CDEM's as providers. Licensing birth centers assures high standards and is in the best interest of the public. SB 349 supports this. Birth centers have been proven safe for low risk pregnancies and offer an affordable alternative. In fact, birth centers can provide a savings of 50 - 75% less than hospital births. Birth centers benefit consumers as well as the economy. SB294 offers a promise of savings and cost effectiveness. Please support SB294 and SB349. Thank you for your consideration.

Sincerely,

Dana Brown  
Certified Direct Entry Midwife



## Alaska Family Health & Birth Clinic

728 Gaffney Rd. Suite 100, Fairbanks, Alaska 99701 • (907)456-3719

Danielle Baham, CMA  
728 Gaffney Street, Suite 100  
Fairbanks, AK 99709

March 3, 2004

**Subject: Senate Bill 349**  
**Senate Bill 294**

Dear Senator:

I am the Office Administrator at AHF&BC a non-profit birth center in Fairbanks.

I am support of SB 294 & SB 349 and ask that the legislative please pass these bills.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Danielle Baham".

Danielle Baham, CMA



## Alaska Family Health & Birth Clinic

728 Gaffney Rd. Suite 100, Fairbanks, Alaska 99701 • (907)456-3719

Vanessa R. Dunham  
Apprentice Direct-entry Midwife  
728 Gaffney Street, Suite 100  
Fairbanks, AK 99709

March 3, 2004

**Subject: Senate Bill 349**  
**Senate Bill 294**

Dear Senator:

I am in favor of SB 349, an act which would require the licensing of birth centers. As a soon to be direct-entry midwife, working for Alaska Family Health and Birth Center I feel that licensing contributes to the high standards of birth centers.

I am in favor of SB 294. This bill is cost effective and will give medicaid recipients the same options as private and insurance clients.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Vanessa R. Dunham".

Vanessa R. Dunham



**REAL TIME II, LLC**  
1700 E. Bogard Rd. Suite 101  
Wasilla, AK 99654  
907-357-2188  
357-5849 fax

January 27, 2005  
To: Senate H&SS Committee  
RE: SB22

Dear Senator:

I have been in the medical field for over 35 years in Alaska.

I have had the pleasure of meeting and examining patients that have had birthing center births as well as hospital births. The patients that have had the birthing center births are so much more positive, less afraid of and happy about the pregnancy, have less delivery fears and are much more relaxed about the birthing experience than the patients that have had births in hospitals.

The Mat-Su Midwifery staff are well trained, educated and experienced; the facilities are designed for a wonderful family healthy birthing experience. The midwives are very experienced, kind, supportive and strict about their protocol in caring for the patients. This costs the patients less than a hospital delivery; is very safe and cost effective. There are fewer complications, infections and healthier mom's and babies when delivered in this facility.

Insurance companies pay 100% for deliveries at this facility because of the safety and birthing centers are so cost effective!

I can not believe in this modern day and time that this facility does not get paid for its use by the PATIENT INSURANCE FROM THE STATE OF ALASKA. We all would benefit by having these people get reimbursed by the state for the use of their facility. They have designed and build a marvelous home atmosphere place to have a safe delivery. Please pass this bill so they can be reimbursed.

If I were in the child-bearing years, there is no doubt in my mind I would choose to be delivered and cared for by the MatSu Midwifery.

Thank you for your attention.

*Gretchen Blume RDMS RDCS*  
Gretchen Blume, RDMS, RDCS



## Mat-Su Midwifery, Inc.

(907) 378-3420 • 2660 Brundage Ave. • Wasilla, Alaska 99654

1/28/05

TO: Members of the H&SS Committee  
RE: SB22

Dear Senator:

I am writing this letter in support of SB22. Alaska has excellent midwifery standards thanks to the past efforts of our legislators. Midwives serve healthy, low-risk women. Alaska is a young state with a very large birthing population. We serve approximately 25% of all the births in the Mat-Su Valley, and the numbers are growing. Having been a midwife in Alaska since 1984, I have witnessed an increasing number of families choosing birth center birth over the hospital.

It makes sense to save Alaska Medicaid funds by supporting birth center reimbursement for facility fees as more and more low risk women are choosing to have their babies out-of-hospital. Insurance companies pay 80-100% for our facility fees because they know birth centers are a safe, cost-effective alternative to hospitals. For each woman giving birth in a birth center, the State of Alaska would realize a savings of approximately \$2500. This is not counting the savings realized by fewer interventions, i.e. the lack of epidurals, narcotics, vacuums, lower c-section rate, pitocin, etc.

I asked the following birth centers to give their statistics for 2004. This is in response to the gentleman from H&SS that testified before the Senate H&SS Committee last week, claiming that midwives delivered only 100 women with Denali Kid Care coverage last year:

**Alaska Family Health and Birth Center, in Fairbanks:** 35 DKC births, 61 births total in 2004 and an average cesarean section\* rate of 4%.

**Geneva Woods Birth Center in Anchorage:** 148 vaginal births in 2004, 60 of them in the birthing center. 25 % of their clients chose the hospital because it was free, rather than pay out of pocket the BC facility fee. So, from this practice alone, about 30 additional clients would have stayed at the birthing center if the facility fee were paid (saving the state around \$75,000 for those 30 women). The cesarean section rate is 3%.

**Juneau Family Birth Center in Juneau:** 42 DKC births, 70 births total in 2004. Average cesarean section rate is 6%.

**Mat-Su Midwifery in Wasilla:** 64 DKC births, with a total of 118 births and 0 cesarean sections in 2004, and an average cesarean section rate of 3%.

**The Midwives Birth Center in Anchorage:** 45 DKC births in 2004, 50 births total, and an average cesarean section rate of 2%.

In conclusion, please support SB22. The state of Alaska will save money and needy, low-risk women can have the same options that self-paying and insurance-reimbursed women have.

Sincerely,

*Sharon K. Evans, CDM, CPM*  
Sharon K. Evans, CDM, CPM

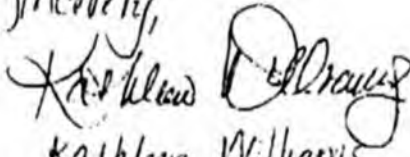
\*This represents the average percentage of women transferred in labor to the hospital, requiring a c-section. (Hospital c-section rates average about 25%.)



Legislative Information/ 452-4448

To: Senate HESS Committee

I am in support of the passing of SB 22, which would allow for birth centers to be paid for a facility fee. I have had 2 babies (or I am having a baby) with Alaska Family Health & Birth Clinic. If I choose to give birth at the birth center the facility fee has to come out of my pocket. Since I qualify for Medicaid my income does not provide enough money for me to pay the facility fee. Any other major insurance company pays for the birth centers facility fee so shouldn't Medicaid? Medicaid pays the hospitals facility fee so why can't they pay for me to deliver in a safe environment of my choice! Midwives and Birth Centers save the state of Alaska thousands of dollars and the passing of SB 22 would not only benefit my family but also other families of Alaska as well.

Sincerely,  
  
Kathleen Williams



## *Mat-Su Midwifery, Inc.*

Jan. 27, 2005

(907) 373-8120 • 2650 Broadview, Inc. • Wasilla, Alaska 99657

To: Members of the H&SS Committee:

RE: SB22

Dear Senator:

My name is Judi Davidson. I am a direct-entry midwife and I own and operate Mat-Su Midwifery, Inc. in Wasilla, AK. I believe it is the largest birth center in the state at this time. We deliver approximately 120 babies per year. In 2004, we had a 0% c-section rate. Valley Hospital in Palmer has at least a 25% c-section rate, and the c-section rate at Providence Hospital in Anchorage is currently 33% of all births.

I would like to promote birth centers as a means to reduce the overall rate of c-sections. Since the state DKC system pays for both vaginal and cesarean section births, I think it makes sense to fund the institutions where the c-section rate is minimal. Birth Centers do not incur the cost of inductions or augmentation of birth either, because they are not allowed in an out-of-hospital setting. The cost of a cesarean birth is between \$15-20,000.00. The cost of a vaginal birth in the hospital, augmented with pitocin and an epidural (common about 70-80% of the time), is between \$7-10,000.00. The cost of an unmedicated birth center birth is approximately \$3-5,000.00.

Many women, given the choice would opt for a low-risk, non-interventive atmosphere to deliver their babies. Please give the women of Alaska that choice. Support SB22 as an avenue of better birthing statistics and cost-effective outcomes for maternal health care in our state.

Sincerely,

*Judi Davidson, CDM, CPM*

Judi Davidson, CDM, CPM



AK Birth Center Costs Jan 2005

Anchorage	561-5152	Geneva Woods	\$2,000.00	midwife services
			\$1,500.00	birth center fee
			\$600.00	immediate postpartum care (includes newborn exam and home visit)
			<b>\$4,100.00</b>	<b>TOTAL</b>

Anchorage	562-2211	Providence Hospital	\$4,000.00	1 night stay, uncomplicated labor and delivery, room and baby stay. Physician extra
			\$5,000.00	2 night stay uncomplicated labor and delivery, room and baby stay. Physician extra. C-sections require a 3-4 night stay, run \$8000-\$9000, surgeon and anesthesiologist separate

Anchorage	264-1795	Alaska Regional	\$3,932.00	facility use fee for 24 hr. stay, includes lab fees, epidural, pharmacy, but <i>does not include</i> physician.
	Lisa		\$5,531.00	48 hr stay as described above
			\$8,123.00	72 hr stay as described above (for C-section)
			\$9,633.00	96 hr stay as described above (for C-section)

Juneau	796-8900	Bartlett Regional Hospital	\$3,200.00	low end estimate for vaginal delivery without complications. Does not include Physician's fee, Surgeon, Radiology, Anesthesiology, or Laboratory fees
			\$4,800.00	high end estimate for vaginal delivery. Does not include Physician's fee, Surgeon, Radiology, Anesthesiology, or Laboratory fees

Juneau	586-1203	Juneau Family Birth Center	\$2,200.00	Labor and delivery charge with midwives; sliding fee may reduce charges as low as \$1000
			\$1,800.00	Facility use fee; sliding fee scale may reduce fees to \$800
			<b>\$4,000.00</b>	<b>TOTAL</b>

Fairbanks	456-3719	Alaska Family Health and Birth Center	\$1,600.00	facility fee
			\$2,216.00	professional fee, labor and delivery
			\$1,120.00	course of prenatal care starting at 12 weeks
			\$585.00	course of postpartum care, including home visits and well baby care

AK Birth Center Costs Jan 2005

Fairbanks	452-8181	Fairbanks Memorial hospital	\$838.00	1 day well baby fee; includes boarding, battery of required newborn tests, no physicians
			\$1,443.00	2 day well baby fee; includes boarding, battery of required newborn tests, no physicians
			\$2,688.00	1 day facility fee, labor and delivery, includes R & B, medications and lab fees, but not physicians
			\$4,923.00	2 day facility fee, labor and delivery, includes R & B, medications and lab fees, but not physicians
			\$7,390.00	2-day C-section; include OR, R&B, lab tests, medication (including anesthetic med.), but not surgeon or anesthesiologist)
			\$8,505.00	2-day C-section; include OR, R&B, lab tests, medication (including anesthetic med.), but not surgeon or anesthesiologist)
			\$12,447.00	2-day C-section; include OR, R&B, lab tests, medication (including anesthetic med.), but not surgeon or anesthesiologist)

Wasilla	373-3420	Mat-Su Midwifery	\$1,800.00	facility use fee
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# Alaska State Legislature

Please enter into the record my testimony to the: SUUS  
Committee Name

Committee on: SB22, dated 2/2/05

## Members of Senate HESS:

I am requesting that you look favorably at SB 22. The passage to all the issues important to Valley residents and your hard work to accomplish the demands of the legislative session.

I am writing to heighten your awareness of the alternative choice for birthing families in the Valley. With a second freestanding birth center about to open, along with the provision of homebirth services provided by a number of state licensed midwives, Valley families are choosing to have their babies in an out-of-hospital settings at a phenomenal rate. The national percentage for birth outside of hospital still hovers around 3% whereas the Bureau of Vital Statistics shows a remarkable 26.6% of babies being born at home or in a birth center in the Mat-Su Valley in 2002! Vital Statistics has not been able to provide stats for the more recent years but the trend is definitely on the rise for this safe alternative to conventional birthing.

As you are likely aware, SB 22 proposes to add birth centers to the existing list of facilities that receive Medicaid funds for service.

There is a question as to whether Alaska could receive matching Federal Medicaid funds for birth center payment. Even without a Federal Medicaid match, the savings for payment of birth center fees as opposed to hospital fees would be far more than double for a normal delivery. Please consider SB 22 favorably. I would welcome a call from you if you have any questions.

Sincerely,

Pam Weaver, CDM  
Phone 232-7435

## **Testimony for Senate Bill 22 H&SS Committee**

I am a Certified Direct-Entry Midwife and an Executive Director of the Juneau Family Birth Center, a non-profit registered birth center here in Juneau. I have worked on midwifery issues in Alaska since 1984 and look forward to helping to clarify for you midwifery and birth center issues. I served on the State Licensing Board for Certified Direct-Entry Midwives from its inception in 1992 until 2000.

Midwifery is a growing profession, as I am sure you are aware. Alaska's Certified Direct-Entry Midwives deliver almost 10% of the babies in Alaska. This is an amazing statistic considering that nationwide, Direct-Entry Midwives attend 2% of the births. Alaska is at the forefront of midwifery and other states look to our law when crafting legislation.

I would like your support of SB 22, a bill adding birth centers to the list of facilities that Medicaid will cover. At this time, Medicaid does not cover our \$1800 facility fee, which is covered by all insurance companies. This means a loss of \$1800 revenue for any Medicaid or Denali Kid Care client that we accept. At the same time, Medicaid pays hospital facility fees of 5 to 10 times more for a birth. The Juneau Family Birth Center has chosen to write off the loss instead of requiring payment from clients who are financially stressed. Other birth centers in Alaska cannot do this. **This translates to women choosing a hospital birth over a birthcenter birth, at much greater expense to the State of Alaska Medicaid Program.**

I appreciate your support on this bill. I would be happy to meet with you if you need more information.

Thank you

Kaye Kanne, CDM  
Executive Director,  
Juneau Family Birth Center

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 1/11/05

FURTHER: Finance

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 2.2.05

Health, Education and Social Services Committee considered

SENATE BILL NO. 22

**SB 22 MEDICAID COVERAGE FOR BIRTHING CENTERS**

"An Act adding birthing centers to the list of health facilities eligible for payment of medical assistance for needy persons."

and recommends:

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

<b>Senate Bill:</b>
<input type="checkbox"/> Same Title
<input type="checkbox"/> New Title
<b>House Bill:</b>
<input type="checkbox"/> Same Title
<input type="checkbox"/> Technical Title Change
<input type="checkbox"/> New Title w/ SCR # _____

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
HSS	1/11			X	

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>Gary Miller</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

MARCH 4, 2005

907-465-4587

To: Senate H&SS Committee  
RE: SB22

Dear Senator Fred Dyson:

This is a letter to express my support of SB22, which would allow for birth centers to be paid for their facility fee. If a woman wants a birth center birth, the facility fee has to be paid out of her pocket at this time. Hospitals are paid facility fees. Insurance companies pay the facility fee (80-100%), but Medicaid does not. What about those of us who want to deliver out-of-hospital?

More and more low risk women are opting for out-of-hospital births, with Mat-Su Midwifery doing close to 100 birth center births per year, or approximately 1/4 of the births in the Valley. As midwives' statistics show, birth centers are safe, cost-effective options. I would like to have the option to choose a birth center over the hospital, so I am asking you to please support SB22. The young families of Alaska will benefit, and the state of Alaska will save money!

Sincerely,

Ornette T. Jennis  
Alaska Mom