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Department of Health and Hospitals

Louisiana Department of Health and Hospitals
Health Plan Advisory 15-13
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Medicaid coverage for freestanding birthing centers:

Effective July 20, 2015, Medicaid will cover delivery services for Medicaid recipients at free standing birthing centers. It is the Department's expectation that all Health Plans will provide coverage of delivery services at free standing birthing centers on or before July 20, 2015.

Birthing Centers are facilities for the primary purpose of performing low-risk deliveries but are not a hospital or licensed as part of a hospital. "Low-risk pregnancy" means a normal, uncomplicated prenatal course as determined by documentation of adequate prenatal care and the anticipation of a normal, uncomplicated labor and birth, as defined by reasonable and generally accepted criteria adopted by professional groups for maternal, fetal, and neonatal health care. Neither general nor epidural anesthesia shall be provided in the birthing center.

Centers are required to meet Medicaid's criteria for enrollment, and have completed the enrollment process prior to providing services to Medicaid recipients.

Medicaid Birthing Center criteria for enrollment:

- Centers are required to have a medical director (credentials of MD or DO) on staff.
- Centers must be Commission for the Accreditation of Birth Centers (CABC) accredited.
- Centers shall be located within a ground travel time distance from the general acute care hospital with which the center maintains a contractual relationship, including a transfer agreement, that allows for an emergency cesarean delivery to be started within 30 minutes of the decision a cesarean delivery is necessary.
- All freestanding birthing center applications for enrollment are subject to review and approval of the Medicaid Medical Director.

Birthing Center Reimbursement Methodology:

Centers will be reimbursed a one-time payment for each delivery equal to 90 percent of the average per diem rates of surrounding hospitals providing labor and delivery services. Surrounding hospitals are defined as within a 20 mile radius of the birthing center in urban areas and within a 30 mile radius of the birthing center in rural areas. As a result, each birthing center will have an established facility specific fee for reimbursement.

Birthing centers are allowed to bill and be reimbursed for the code for “vaginal delivery only”. In the event that a patient has to be transferred prior to delivery, the facility may bill the code for “vaginal delivery only” with modifier 53. This will result in a payment of 50 percent of the established facility fee to the birthing center. Billing of the modifier 53 does not apply to professional providers.

Professional Providers:

Physicians, certified nurse midwives and licensed midwives will be able to provide and be reimbursed for delivery services in the setting of the free standing birthing center (place of service = 25, birthing center). Currently licensed midwives are not enrolled as Medicaid providers. In order to comply with federal Affordable Care Act (ACA) regulations, rulemaking is in progress to recognize licensed midwives and enroll them as Medicaid providers. It is the expectation of the Department that the plans would also be in compliance with federal ACA regulations and contract with qualified midwives licensed by and in good standing with the Louisiana State Board of Medical Examiners (LSBME). Licensed midwives will only be reimbursed for deliveries in the birthing center. They will not be reimbursed for home deliveries. Rulemaking is also in progress to establish reimbursement methodology for the licensed midwife. Reimbursement will be 75 percent of the professional services published fee schedule rate for services within the licensed midwife’s scope of practice. Professional Service providers may bill and be reimbursed for services within their scope of practice. Professional providers may bill and be reimbursed for each delivery by submitting the code for “vaginal delivery only” on their professional claims.