Maternal Health Providers: Enhancing Health Equity Through Payment Parity

Prepared by State Health and Value Strategies and Health Equity Solutions

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Introduction

The maternal mortality crisis in the United States continues to worsen, with data from the Centers for Disease Control and Prevention (CDC) establishing that over 80% of the pregnancy-related deaths that occurred from 2017 to 2019 were preventable.[1] Additional CDC data show that 1,205 pregnancy-related deaths occurred in the United States in 2021, compared with 861 in 2020. Chilling disparities also persist—as of 2021, the maternal mortality rate for non-Hispanic Black people was 2.6 times the rate for non-Hispanic White people.[2] These poor outcomes stem from a variety of factors, including "lack of access to quality care, gaps in [healthcare] coverage, unmet social needs, implicit bias and explicit discrimination from providers, and structural racism in [healthcare]."[3] One strategy state policymakers are leveraging to expand the maternal health workforce and increase access to quality maternity care is Medicaid coverage of midwives and doulas.

As states work on improving access to these providers under Medicaid, it is important to note that there are significant equity implications, as Medicaid is the major source of reproductive healthcare services in the country, accounting for 75% of all public expenditures for family planning services and covering close to half of all births.[4] Not only is perinatal care provided by midwives and doulas evidence-based and shown to improve birth outcomes, but supporting a diverse maternal health workforce can also improve cultural concordance, due to the history of midwifery utilization among Black and Indigenous people.[5] However, there is a limited supply of midwives and doulas; more than half of U.S. counties lack a single midwife and only about 6% of birthing individuals receive doula care.[6,7]

Thus, Medicaid coverage presents important opportunities, but reimbursement rates also present challenges. Coverage of doulas and certain types of midwives are optional benefits, and even in the states that do cover these services, reimbursement rates are often too low to prove sustainable. This issue brief discusses the landscape of Medicaid reimbursement trends for midwifery and doula coverage and recommends strategies to enhance access to a diversity of maternal care providers through equitable reimbursement. Since Medicaid covers about two-thirds of births among Black and Indigenous people, Medicaid reimbursement rates provide a potential policy lever to encourage the growth of a diverse midwifery and doula workforce.[8]

Midwifery Reimbursement Trends

A midwife is a healthcare professional who assists the individual during the prenatal, birth, and postpartum periods; midwives can practice in multiple settings (e.g., a hospital, birth center, clinic, or the patient's home) and are trained in the midwifery-led model of care, which emphasizes patient care and psychosocial support and is therefore more time intensive than typical obstetric care. There are different types of midwives who vary in their educational and clinical experience requirements—certified nurse-midwives (CNMs) must have a bachelor's degree in nursing, while certified midwives (CMs) are non-nurses with a science or health-related bachelor's degree. Certified professional midwives (CPMs) must have a high school degree or equivalent and can enter the profession through vocational routes.[9]

Certified Nurse Midwives

All states are required to provide Medicaid reimbursement to certified nurse-midwives, though the state landscape varies in terms of reimbursement rates. As of May 2023, approximately half of states reimburse CNMs at 100% of the rate of physicians providing the same service, while 20 states reimburse CNMs at 75% to 98% of the rate paid to physicians.[10] A study quantifying the effect of state and regulatory policies on access to midwife care found that Medicaid parity was the only factor associated with increased midwife attended births. One possible reason for this strong association between Medicaid parity and access to midwives is that low Medicaid reimbursement results in

a loss of income for midwives providing care in many states.[11] Acknowledging the importance of Medicaid parity for enhancing access to midwifery services, several states have taken action to increase their Medicaid reimbursement rates for midwives within the past year:

- **New Jersey:** In January 2023, First Lady Tammy Murphy and Department of Human Services Commissioner Sarah Adelman announced that NJ FamilyCare increased reimbursement rates for physicians and midwives to match 100% of current Medicare rates for certain maternity-related services, up from 50%. Furthermore, all midwives will receive the same reimbursement rate as physicians for all covered services. These increases were made retroactively effective as of July 2022.
- **New York:** In August 2023, the New York State Department of Health announced several key initiatives aimed at improving maternal and newborn health. These include increasing the Medicaid reimbursement rate for midwifery services provided by nurse practitioners from 85% to 95% of the physician fee schedule as of July 2022, as well as benchmarking the physician fee schedule to 80% of Medicare fees in October 2023.
- **Louisiana:** Also in August 2023, the Louisiana Department of Health updated the minimum reimbursement rates for certified nurse midwives and licensed midwives to 95% of the physician reimbursement rate for the provision of the same health services in pregnancy and childbirth.

In addition to matching physician reimbursement rates, another way states can increase access to certified nurse midwives is to allow CNMs to be reimbursed for services beyond traditional maternity care. As of May 2023, 36 states allow for CNMs to be reimbursed for services such as care coordination, substance-use disorder screening, behavioral health screening, well-woman exams, and smoking cessation. In addition, 31 states allow CNMs to be identified as primary care providers under Medicaid.[12]

Other Midwives

While CNM services are a mandatory Medicaid benefit, states may choose whether to cover services provided by midwives without a nursing degree, such as CMs, CPMs, or other licensed practitioners.[13] As of April 2023, 19 states reimburse other types of midwives in addition to the required CNM reimbursement.[14] For example, Minnesota's managed care organizations (MCOs) reimburse "traditional midwives" for services provided in freestanding birth centers, and in Washington, "licensed midwives" are included in MCOs' provider networks.[15] In addition, Washington added limited prescriptive authority to the scope of practice for licensed midwives, further increasing ease of access to maternity care for Medicaid enrollees.[16] In all states, midwives without a nursing degree must still meet certain qualifications for midwifery licensure as a requirement for Medicaid reimbursement.[17]

Midwifery Reimbursement Parity

In addition to striving toward Medicaid payment parity for certified nurse midwives who perform the same services as physicians and electing to cover services performed by non-nurse midwives, there are other measures states can take to ensure that midwives are paid adequately and for all of the services they provide. Under federal law, CNMs are considered primary care providers with prescribing authority in all 50 states. However, in 23 states, CNMs are required to either practice under physician supervision or sign a collaborative practice agreement with a physician, which can have implications for how much they are paid. In the absence of such an agreement, many CNMs and CMs can be denied hospital credentialing or admitting privileges. **States can examine their collaborative agreement requirements for opportunities to increase midwives' autonomy and ability to provide services while still facilitating effective relationships between midwives and physicians.[18]**

States should also seek to increase parity between setting types and ensure their payment models compensate for the breadth of services provided under the midwifery-led model of care. Midwives generally receive a lower reimbursement in birth centers compared to hospitals; on average, birth centers in state Medicaid programs are paid 15 to 70% of hospital rates. This can cause recruitment difficulty for birth centers and has significant equity implications, because birth centers typically serve people with lower incomes, who are underinsured, or who live in rural areas. **States can also examine their Medicaid payment models to ensure they cover whole-person care and non-clinical services, such as lactation support, that are provided by birth centers.**[19]

Doula Reimbursement Trends

Doulas are, "Trusted [nonmedical] individuals, often from local communities, trained to act as patient advocates and provide psychosocial, emotional, and educational support during pregnancy, childbirth, and the postpartum period."[20] Research has consistently shown doulas' capabilities in improving maternal health outcomes and decreasing the growing rates of maternal mortality. As of August 2023, 10 states and Washington D.C. are actively providing doulas coverage through Medicaid.[21] Of the states already providing coverage for doulas, several have made strides to more fairly compensate doulas to adequately support themselves and Medicaid enrollees:

- **California:** California Medicaid implemented targeted provider rate increases, effective January 1, 2024. As of January 1, doulas will earn at least $3,000 for attending a birth and providing the maximum number of prenatal and postpartum visits. The previous maximum was $1,152.
- **Nevada:** The state's Medicaid program announced an increase in reimbursement rates for doulas from $350 per pregnancy up to $450 to encourage doulas to facilitate access to prenatal/antepartum and oral healthcare. Doulas were first added as an approved provider type in the state in April 2022.
- **New Jersey:** First Lady Tammy Murphy and DHS Commissioner Sarah Adelman announced an increase in New Jersey's community doula reimbursement rates from $900 to $1,165 for labor support and eight perinatal visits. More recently, Governor Phil Murphy signed S-4119/A-5739, which ensures every birthing individual has the right to a doula in a hospital or birth center. Under the bill, hospitals and birthing centers must develop and maintain policies that allow doulas to accompany patients before, during, and after labor and childbirth. These facilities will also be required to publicly post their policies and designate a contact to maintain communications between their staff, the doula community, and patients.
- **Oregon:** The state submitted a state plan amendment to increase its fee-for-service reimbursement for doula services from $350 to $1,500 per pregnancy (payment covers two prenatal care visits, care during delivery, and two postpartum care visits). In its original doula program, reimbursement was set to $75, which likely contributed to low utilization of doula services.
- **Rhode Island:** The state's Medicaid program covers doula services up to $1,500 for three prenatal visits, labor and delivery, and three postpartum visits. Rhode Island requires doula coverage in both Medicaid and private insurance.

Other states are taking related action pertaining to coverage for doula care (e.g., New Jersey's grant, described below, to ease the administrative burden of processing Medicaid reimbursement claims) or will soon implement doula coverage statewide:

- **New Jersey:** The Department of Health awarded a $450,000 grant to HealthConnect One to develop a diverse community doula workforce to support women during pregnancy, birth, breastfeeding and early parenting. HealthConnect One will establish a Doula Learning Collaborative to increase the number of trained community doulas. The Doula Learning Collaborative will also support doulas in engaging with multiple health systems and process Medicaid reimbursement claims for their services.

- **Iowa:** One of the state's MCOs (Iowa Total Care) is piloting a new doula program in three counties. Partnering with Health ConnectOne (HCOne) and The Doula Network (TDN), the program aims to provide birthing parents with culturally sensitive doula services to ease the burden of access, address cultural barriers, and improve maternal and infant health outcomes. HCOne and TDN provide customized coaching, training, technical assistance, and program development services to doula partners so the doulas can support communities and families.
- **Colorado:** In May 2023, Colorado's Lieutenant Governor Dianne Primavera signed SB23-288 into law, which requires the state to seek federal authorization for Medicaid providers to provide doula services for pregnant and postpartum people no later than July 1, 2024. The law also appropriates $100,000 to create a doula scholarship program to provide financial support to eligible individuals to pursue doula training and certification.
- **Connecticut:** The Connecticut Department of Social Services (DSS) plans to incorporate access to doula services as a core feature of the upcoming HUSKY Health Maternity Bundle Payment Program. Under the new program, practices will receive additional funds from HUSKY Health, the state's Medicaid program, to add doulas to the care team, and doula services will be rendered and reimbursed under the supervision of a medical provider. DSS anticipates implementing the HUSKY Maternity Bundle Payment Program on September 1, 2024, pending federal approval.
- **Delaware:** Governor John Carney signed House Bill 80, which requires that doula services be covered by Medicaid in Delaware by January 1, 2024.
- **Massachusetts:** MassHealth, the state's Medicaid program, announced coverage of doula services for pregnant, birthing, and postpartum members beginning in spring 2024.
- **New York:** In November 2023, New York's Governor Kathy Hochul announced doula services will be covered for all Medicaid enrollees starting January 1, 2024 and $4.5 million in annual funding has been allocated for regional perinatal centers.

Doula Reimbursement & Equity Implications

As states take strides toward fair compensation of doulas, there are several considerations for setting appropriate benchmarks. Because doulas spend more time with a client in a variety of settings (i.e. at-home visits, over the phone, or in healthcare settings) than other healthcare providers would in a hospital or clinic setting, physician and midwife payments are not appropriate benchmarks for doula rates. In a routine visit, clinicians spend an average of 15 minutes per client, whereas doulas spend an average of two hours per client. Adding up the time for prenatal visits, postpartum visits, labor/birth, and remote client support, doulas spend an approximate total of 36 hours per client (compared to clinicians' approximate 5.75 hours). **A doula's work also includes uncompensated time that should be reflected in rates. Compensation should also account for the fact that doulas are independent contractors, who do not receive employee benefits and incur additional out of pocket expenses, such as health insurance, vacation time, transportation, and supplies.**[22]

States covering doula services under Medicaid should ensure that doula reimbursement rates:[23]

- Correlate to their scope of services.
- Account for the number and length of visits.
- Reflect a living wage for the region where doulas live and practice.
- Consider the nature of doula work (unpredictable scheduling, uncompensated hours, etc.).

Furthermore, to determine, design, and implement Medicaid coverage for doulas, states should meaningfully engage doulas and interested partners (state and local) to determine reimbursement strategies that meet the needs of patients and doulas.[24]

Conclusion

While Medicaid coverage of midwives and doulas presents important opportunities to enhance maternal health outcomes, reimbursement rates also present challenges. As of May 2023, approximately half of states reimburse CNMs at 100% of the rate of physicians providing the same service. States aiming to increase availability of midwives should strive for Medicaid parity, as it is associated with increased midwife attended births. States should also seek to increase parity between setting types such as birth centers, which serve low-income, rural, and underinsured populations but are typically paid 15 to 70% of hospital rates. Another avenue through which states can ensure parity is to require that their payment models compensate for the breadth of services provided under the midwifery-led model of care. As states take strides toward fair compensation of doulas, they should ensure that doula reimbursement rates correlate to their scope of services, account for the number and length of visits, reflect a living wage for the region where doulas live and practice, and account for the fact that doulas are independent contractors, who do not receive employee benefits. Ensuring equitable reimbursement of midwives and doulas is a critical step toward enhancing access to maternal care and improving maternal health outcomes.

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Health is more than an absence of disease. It is a state of physical, mental, and emotional wellbeing. It reflects what takes place in our communities, where we live and work, where our children learn and play, and where we gather to worship. That is why RWJF focuses on identifying, illuminating, and addressing the barriers to health caused by structural racism and other forms of discrimination, including sexism, ableism, and prejudice based on sexual orientation.

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ABOUT STATE HEALTH AND VALUE STRATEGIES—PRINCETON UNIVERSITY SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS

This publication was prepared by Rebecca Lopez. State Health and Value Strategies (SHVS) assists states in their efforts to transform health and healthcare by providing targeted technical assistance to state officials and agencies. The program is a grantee of the Robert Wood Johnson Foundation, led by staff at Princeton University's School of Public and International Affairs. The program connects states with experts and peers to undertake healthcare transformation initiatives. By engaging state officials, the program provides lessons learned, highlights successful strategies and brings together states with experts in the field. Learn more at www.shvs.org.

ABOUT HEALTH EQUITY SOLUTIONS

This tool was prepared by Harley Webley and Katherine Villeda. Health Equity Solutions (HES) advances health equity through anti-racist policies and practices so all people can attain their optimal health regardless of race, ethnicity, or socioeconomic status. HES works with State Health and Value Strategies (SHVS) to guide the program's health equity work generally while also providing targeted technical assistance to states. HES is based in Hartford, Connecticut and focuses its work outside of the support it provides to SHVS on achieving health equity in Connecticut. Learn more at www.hesct.org.

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