Legislative Analysis

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NURSE MIDWIFE COVERAGE

House Bill 4361 as enrolled
Public Act 374 of 2004

House Bill 4362 as enrolled
Public Act 375 of 2004
Sponsor: Rep. Triette Reeves
1st House Committee: Insurance
2nd House Committee: Health Policy
Senate Committee: Health Policy

Second Analysis (1-25-05)

BRIEF SUMMARY: The bills would require health insurers that already provide coverage for obstetrical and gynecological services in a policy or contract to either 1) include coverage for such services whether performed by either a physician or a nurse midwife, or 2) offer to provide coverage either for those services or for maternity services and prenatal and postnatal gynecological services.

FISCAL IMPACT: The fiscal impact to either the state or to local units of government is indeterminate. It could be assumed that if the bill provides either cost savings or additional costs to health insurers, those savings or added costs would be reflected by changing premiums. At this time, savings or additional costs cannot be projected. The state and most local units of government provide some form of health care coverage, so they therefore may be affected by these bills.

THE APPARENT PROBLEM:

A certified nurse midwife is educated in the disciplines of nursing and midwifery and is qualified to offer the independent management of women's health care with a focus on pregnancy, childbirth, the postpartum period, care of the newborn during the first four weeks of life, and the family planning and gynecological needs of women. There are over 6,000 nurse midwives practicing in the United States and approximately 260 in Michigan, with about 60 nurse-midwifery practice sites throughout the state. In 2001, nurse midwives accounted for 8,583 births (6.4 percent of all births) with 99.5 percent of births occurring in a hospital, 0.1 percent in birth centers, and 0.04 percent in homes.

According to information supplied by the Michigan Chapter of the Association of Certified Nurse Midwives, many patients who seek care by nurse midwives are classified as "vulnerable" due to age, education, ethnicity, payment source, income level, or location of residence. Data so far appears to support the safety, quality, and cost-effectiveness of certified nurse midwifery care. However, nurse midwives are said to be particularly adept at providing services that depend on communication with patients and preventive care. In addition, health care provided by nurse midwives may cost less than

similar care provided by an obstetrician-gynecologist. Therefore, many believe that access to certified nurse midwives should be ensured for those who want their services.

However, though 38 other states mandate reimbursement in some fashion to certified nurse midwives, Michigan has no uniform standard of payment by insurers for those services. Therefore, not all insurers in the state will directly reimburse nurse midwives even when the health plans offered by the insurer cover midwife services. Some nurse midwives practice within the office of a physician, and so services usually are billed as part of the physician's practice. But, some midwives practice independently, though they have a contract with a supervising physician. The result is that some patients have reimbursements for midwife services denied even though their health plans provide coverage for such services. When this happens, the patient must either pay out of pocket or seek a different practitioner.

THE CONTENT OF THE BILLS:

Generally speaking, the bills would require that, beginning March 1, 2005, group and nongroup health insurance policies or certificates that provide coverage for obstetrical and gynecological services would have to:

1) include coverage for these services whether performed by a physician or by a nurse midwife acting within the scope of his or her practice; or

2) either offer to provide coverage for OB/GYN services whether performed by a physician or nurse midwife or offer to provide coverage for maternity services and gynecological services rendered during pre- and post-natal care whether performed by a physician or a nurse midwife.

House Bill 4361 would amend the Nonprofit Health Care Corporation Reform Act (MCL 550.1416d), which applies to Blue Cross and Blue Shield of Michigan. House Bill 4362 would amend the Insurance Code (MCL 500.83406l) to apply to health maintenance organizations (HMOs) and to commercial health insurance companies.

Under the bills, the term "nurse midwife" refers to an individual licensed as a registered professional nurse under the Public Health Code who has been issued a specialty certificate in the practice of nurse midwifery by the Michigan Board of Nursing.

ARGUMENTS:

For:

The bills would not mandate additional coverage on the part of health insurers, but instead would mandate that insurers already providing coverage for OB/GYN services also provide coverage or at least offer to provide coverage for those services when provided by nurse midwives (rather than only when provided by physicians). Many women prefer to obtain maternity/obstetrical and gynecological care from a midwife; thus, the bills are a step toward greater patient choice and access.

In addition, most insurers offering maternity care, obstetrical services, and gynecological services already cover services provided by nurse midwives. However, not all insurers allow nurse midwives to bill directly for their services. Instead, their services are billed along with services provided by the physician's office in which they practice. This is problematic for a couple of reasons. First, this billing practice doesn't distinguish between services provided by the physician and those provided by the nurse midwife. Therefore, the data collected regarding patient outcome, quality of care, etc. cannot be broken down to track data pertaining only to nurse midwives.

Moreover, not all nurse midwives practice out of a physician's office. Many provide services in freestanding clinics or offices, though their services are supervised by a consulting licensed physician. The result is that some patients' claims for reimbursement are denied even though the health plan covers care provided by nurse midwives. The bills aim to rectify this problem by establishing a uniform standard of payment for services provided by certified nurse midwifes.

For:

According to the Office of Financial and Insurance Services, Blue Cross Blue Shield reimburses at a lower rate for maternity care provided by certified nurse midwives than for that provided by physicians. Lower reimbursement levels could save BCBSM on claim expenses and therefore should help offset rising health care costs.

Typically, the hospital charge for a vaginal birth is approximately $9,000 when attended by a physician but only about $3,600 when attended by a nurse midwife. Furthermore, research supports that the incidence of birth injury, trauma, and need for cesarean sections is reduced under the midwifery model of care, thereby resulting in additional decreases in health care costs.

For:

Certified nurse midwives are trained to provide a full spectrum of care for a woman's reproductive health, including contraceptive counseling, preconception and maternity care, writing prescriptions, and consultations on perimenopausal and postmenopausal concerns. In fact, some midwives only offer gynecology services. Therefore, mandating coverage or offers of coverage of gynecology services would not change the scope of practice or licensure for certified nurse midwives.

Many women prefer care by midwives because the midwife typically spends more time with a patient answering questions and addressing concerns than a physician in a busy OB/GYN practice. If a health plan allows a member or enrollee to see a gynecologist for care, even if only one visit a year is allowed, the woman should be able to select a midwife for that care if desired.

In addition, some women using midwives currently experience a gap in health care services. For example, some insurers cover maternity services provided by nurse midwives, but not ongoing gynecological services. A woman who formed a trusting, personal relationship with a nurse midwife during her pregnancy and delivery may then

have to go to another provider for annual gynecological exams, birth control prescriptions, and related services. The bills would eliminate this gap in service by requiring insurers to offer coverage for gynecological services from a nurse midwife along with, or as an alternative to, pregnancy and birthing services.

Response:

The bills could cause problems for some health maintenance organizations (HMOs). According to the Office of Financial and Insurance Services, HMOs are required by law to provide an adequate number of providers in their service areas to provide health care services to their members. If an HMO offers to pay for midwife services and an employer elects to include that benefit in the health plan, the HMO would need to assure their members that qualified practitioners were available within a reasonable distance from the members' location. If certified nurse midwives were not readily available, special arrangements would have to be made. However, OFIS predicts that this may not be an insurmountable problem because over half of the state's Medicaid contracts require the HMO to offer midwife benefits.

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