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SUBJECT Changes to the Payment Structure for Birth Center Services	BY  Vincent D. Gordon, Deputy Secretary Office of Medical Assistance Programs	

PURPOSE:

The purpose of this Medical Assistance (MA) Bulletin is to notify birth centers and practitioners who provide birth center services that the Department of Public Welfare (Department) is modifying its current payment methodology for birth center services to include separate payments for the birth center and practitioner, effective with dates of service on and after September 1, 2013.

SCOPE:

This bulletin applies to MA Program enrolled birth centers and practitioners who render birth center services, including antepartum, labor and delivery, and postpartum care to MA beneficiaries under the Fee-for-Service (FFS) delivery system. Birth centers and practitioners who provide birth center services under the managed care delivery system should address any coding or rate-related questions to the applicable managed care organization.

BACKGROUND:

The Department currently pays an all-inclusive payment to birth centers, which includes payment for the services provided by individual practitioners for antepartum, labor and delivery, and postpartum care.

On March 23, 2010, the Patient Protection and Affordable Care Act (Pub. L. 111-148) was enacted and on March 30, 2010, the Health Care and Education Reconciliation Act of 2010 (Pub L. 111-152) was enacted. Together, they are known as the Affordable Care Act (ACA). Section 2301(a)(3)(C) of the ACA requires state Medicaid programs to make separate payments to birth centers and practitioners for administering antepartum, labor and delivery, and postpartum care. (42 U.S.C.A. § 1396d(1)(3)(C)).

Consistent with 42 U.S.C.A. § 1396d(1)(3)(C), the Department will make separate payments to the birth center for facility services and to the practitioners who provide antepartum, labor and delivery and postpartum care in birth centers.

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

The appropriate toll free number for your provider type

Visit the Office of Medical Assistance Programs Web site at
<http://www.dpw.state.pa.us/provider/healthcaremedicalassistance/index.htm>

DISCUSSION:

The Department recognizes the importance of birth centers as part of the continuum of care for female MA beneficiaries.

The maximum allowable payment to the birth center over the course of all three trimesters, when a delivery occurs at the birth center, will be \$1,328. The maximum allowable payment to the birth center over the course of all three trimesters when a delivery occurs at the hospital will be \$628. A trimester is defined as one-third of the total normal pregnancy duration, and is commonly referred to in the context of the first, second, and third trimesters.

Payments are restricted to one practitioner per trimester for birth center services. The maximum allowable payment to the practitioner over the course of all three trimesters, when a delivery occurs at the birth center, will be \$1,060. The maximum allowable payment to the practitioner over the course of all three trimesters when a delivery occurs at the hospital will be \$510.

The Department will pay birth centers for antepartum, labor and delivery, and postpartum care on a trimester basis as follows:

- First Trimester: \$149 (11% of total payment)
- Second Trimester: \$179 (14% of total payment)
- Third Trimester: \$1,000 (75% of total payment)
(With Delivery at Birth Center)
- Third Trimester: \$300
(When Delivery occurs at Hospital)

The Department will pay practitioners for antepartum, labor and delivery and postpartum care services provided in a birth center on a trimester basis as follows:

- First Trimester: \$80 (8% of total payment)
- Second Trimester: \$80 (8% of total payment)
- Third Trimester: \$900 (84% of total payment)
(With Delivery at Birth Center)
- Third Trimester: \$350
(When Delivery occurs at Hospital)

Similar to the Healthy Beginnings Plus Program model, the Department will make a “per visit” payment to the facility and the practitioner when the beneficiary makes only a single visit, during the trimester, to the birth center. Once the beneficiary makes a second visit during the trimester, the facility and practitioner are paid the trimester package rate. The birth center facility and practitioner “per visit” payments are structured on a payment percentage basis similar to the percentage distribution between the facility and the practitioner trimester payments. The facility payment for a single beneficiary visit will be \$24 (60% of total payment). The practitioner payment for a single beneficiary visit will be \$16 (40% of total payment).

NOTE: The Department does not pay Certified Registered Nurse Practitioners (CRNPs) for obstetrical deliveries.

PROCEDURE:

Effective with dates of service on and after September 1, 2013, the Department will pay birth centers and practitioners, who provide antepartum, labor and delivery and postpartum care in birth centers, in accordance with the fee schedule attached to this bulletin.

The procedure for submitting claims for payment of birth center services remains the same as the current process. Billing inquiries should be directed to the Provider Call Center (Provider Inquiry) at 1-800-537-8862.

ATTACHMENT: [MA Program Fee Schedule for Birth Centers and Practitioners, Who Provide Prenatal, Labor and Delivery and Postpartum Services in Birth Centers.](#)