

Legislative Analysis



NURSE MIDWIFE COVERAGE

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House Bill 4361 (Substitute H-2)

House Bill 4362 (Substitute H-2)

Sponsor: Rep. Triette Reeves

First Committee: Insurance

Second Committee: Health Policy

First Analysis (2-23-04)

BRIEF SUMMARY:

The bills would require health insurers that provide maternity coverage offer or include coverage for services performed by either a physician or nurse midwife.

FISCAL IMPACT:

The fiscal impact to state and local government would be indeterminate.

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 January 1, 2005, group and nongroup health insurance policies or certificates that provide maternity coverage would have to offer to provide or would have to include coverage for services whether performed by a physician or by a nurse midwife acting within the scope of his or her practice. 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.

FISCAL INFORMATION:

The fiscal impact to either the state or 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.

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 maternity services also provide coverage or offer to cover those services when provided by nurse midwives (rather than only when provided by physicians). Many women prefer to obtain maternity care from a midwife; thus, the bills are important to ensure greater patient choice and access.

In addition, most insurers that offer maternity care 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 that they practice in. This is problematic for a couple of reasons. First, this billing practice doesn't distinguish between services provided by the physician from 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 maternity care provided by nurse midwives. The bill aims to rectify this problem by establishing a uniform standard of payment for services provided by certified nurse midwives.

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 offset rising health care costs.

Against:

Earlier versions of the bills would have mandated an offering of obstetrical and gynecology services. 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.

In addition, 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 can do. 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 short, the removal of covering or offering to provide coverage for gynecology services if provided by a midwife should be restored, otherwise, many women's access to a preferred health provider will be compromised.

Against:

The bills could be problematic 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 this certified nurse midwives were not readily available, special arrangements would have to be made. However, OFIS predicts that this may not be a surmountable problem because over half of the state's Medicaid contracts require the HMO to offer midwife benefits.

POSITIONS:

A representative of the Association of Certified Nurse Midwives/Michigan Chapters indicated support for the version of the bills that included gynecology services. (2-17-04)

A representative of the Michigan Nurses Association indicated support for the bills. (2-17-04)

A representative of MARAL Pro-Choice Michigan indicated support for the bills. (2-17-04)

A representative of the IBA Health Plan indicated support for the bills. (2-17-04)

A representative of the Life Insurance Association indicated support for the bills. (2-17-04)

The Office of Financial and Insurance Services is neutral on the bills. (2-17-04)

The Michigan Health & Hospital Association (MHA) is neutral on the bills. (2-17-04)

Blue Cross Blue Shield of Michigan is neutral on the bills. (2-17-04)

A representative of the Michigan Association of Health Plans indicated opposition to the bills. (12-3-03)

A representative of the American College of OB/GYN – Michigan indicated opposition to the bills. (2-17-04)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.