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BILL ANALYSIS

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House Bill 4361 (Substitute S-1 as passed by the Senate)
House Bill 4362 (Substitute S-2 as passed by the Senate)
Sponsor: Representative Triette Reeves
House Committee: Health Policy
Senate Committee: Health Policy

Date Completed: 10-7-04

## RATIONALE

According to the Michigan Midwives Association, a certified nurse midwife is educated in the disciplines of nursing and midwifery and is qualified to provide primary health care to women of childbearing age, including prenatal and postnatal care, labor and delivery care, gynecological exams, newborn care, family planning, preconception care, menopausal management, and health maintenance and disease prevention counseling. Reportedly, certified nurse midwives deliver nine percent of all babies born in the United States, and health care provided by a nurse midwife may be less expensive than similar care provided by an obstetrician/gynecologist.

Michigan, however, has no uniform standard of payment by insurers for nurse midwife services. Not all insurers in the State will reimburse nurse midwives directly, even when the health plan covers midwife services. Some nurse midwives practice within the office of a physician, and the services usually are billed as part of the physician's practice. Other midwives, however, practice independently, although they have a contract with a supervising physician. As a result, reimbursement for midwife services sometimes is denied, even though the patient's health plan covers such services. When this happens, the patient must either pay out of pocket or seek another practitioner. Some people believe that insurers that offer coverage for women's health services provided by a physician should be required to cover those services when provided by a nurse midwife.

## CONTENT

House Bills 4361 (S-1) and 4362 (S-2) would amend the Nonprofit Health Care Corporation Reform Act and the Insurance Code, respectively, to require a policy or certificate that provided coverage for obstetrical and gynecological services to include coverage for those services whether performed by a physician or a nurse midwife acting within the scope of his or her license or specialty certification, or offer to provide coverage for those services, beginning March 1, 2005. House Bill 4361 (H-2) would apply to a Blue Cross and Blue Shield of Michigan group or nongroup certificate. House Bill 4362 (H-2) would apply to a health maintenance organization contract and an expense-incurred hospital, medical, or surgical policy or certificate.

In addition to or as an alternative to the services described above, the policy or certificate could offer to provide coverage for maternity services and gynecological services rendered during prenatal and postnatal care whether performed by a physician or nurse midwife acting within the scope of his or her license or specialty certification.

Under the bills, "nurse midwife" would mean an individual licensed as a registered professional nurse who had been issued a specialty certification in the practice of nurse midwifery by the Michigan Board of Nursing under the Public Health Code.

Proposed MCL 550.1416d (H.B. 4361)
Proposed MCL 500.3406l (H.B. 4362)

## ARGUMENTS

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### Supporting Argument

The bills would not mandate additional coverage on the part of health insurers, but instead would mandate that insurers already providing coverage for gynecological or maternity services also provide coverage for or offer to cover those services when provided by a nurse midwife. Reportedly, many patients who seek care by nurse midwives are classified as "at-risk" due to age, poor diet, education level, ethnicity, income level, smoking, drug use, and location of residence. Nurse midwives are said to be particularly adept at providing services that depend on communication with patients and preventive care. Many women prefer to obtain maternity care from a midwife because they feel that a midwife places greater emphasis on individualized care than a physician does. Some women find nurse midwives, with their holistic approach, to be very effective in providing culturally sensitive care and promoting patient choice.

Furthermore, use of midwives can reduce birthing costs. A typical vaginal delivery costs approximately $9,000 in a hospital but only about $3,600 when attended by a nurse midwife. Additionally, according to Senate Health Policy Committee testimony, the incidence of birth injury, trauma, and the need for cesarean sections is reduced under the midwifery model of care. Direct reimbursement of midwifery services would promote safety for women and babies.

Most insurers that offer ob/gyn care already cover services provided by nurse midwives. Some insurers, however, do not allow a nurse midwife to bill directly for his or her services. Instead, the midwife's services must be billed along with those provided by the physician's office in which he or she practices. This is problematic because not all nurse midwives practice out of a physician's office. Many provide services in freestanding clinics or offices, though their practices must be supervised by a consulting licensed physician. The result is that some patients' claims are denied even though their health plans cover maternity care provided by a nurse midwife. Since the State recognizes certified nurse midwives as qualified to provide obstetric services, health plans that include coverage for those services should cover them when provided by a nurse midwife. The bills would resolve this problem by establishing a uniform standard of payment for services provided by certified nurse midwives. The bills would not change the scope of practice of a nurse midwife, who must maintain an advisory relationship with a physician to obtain liability coverage, hospital privileges, and credentials from insurers; the bills simply would improve accuracy and efficiency in the billing process, and help promote access to care, cost-effectiveness, and patient choice.

**Response:** The bills could create problems for HMOs, which are required by law to ensure that there are sufficient providers for the services the HMOs offer within a reasonable distance of their subscribers. According to the Office of Financial and Insurance Services, however, this is only a potential problem, since more than half of the State's HMOs contract with the State to serve Medicaid recipients and are required under the Medicaid program to offer midwife benefits.

### Supporting Argument

Some women who currently choose a midwife for birthing services may experience a gap in health care after they have given birth because some insurers do not cover gynecological services provided by a midwife. Thus, a woman who has formed a trusting, personal relationship with a nurse midwife during pregnancy and delivery might have to go to another provider for her annual gynecological exams, birth control prescriptions, and related services. The bills would help eliminate this gap in service by giving insurers the option to offer to provide gynecological services along with, or as an alternative to, pregnancy and birthing services.

Legislative Analyst: Julie Koval

## FISCAL IMPACT

The bills would require insurance companies to cover nurse midwife services. As State and local governments provide medical coverage for the vast majority of their employees, this mandated coverage would affect the rates paid. While there are some claims that nurse midwife services are less expensive than physician services, evidence

for these claims is not definitive; therefore, the fiscal impact of these bills is indeterminate.

Fiscal Analyst: Steve Angelotti

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