

February 24, 2017

RE: Tribal Notification to Request Advice and Comments Letter 17-00X: New Mexico Licensed Birth Centers

Dear Tribal Leadership, Indian Health Service, Tribal Health Providers, and Other Interested Parties:

Seeking advice and comments from New Mexico's Indian nations, tribes, pueblos and their health care providers is an important component of the government-to-government relationship with the State of New Mexico. In accordance with the New Mexico Human Services Department's (HSD's) Tribal Notification to Request Advice and Comments process, this letter is to inform you that HSD, through the Medical Assistance Division (MAD), is accepting written comments until **5:00pm Mountain Standard Time (MST) on Wednesday, March 29, 2017** regarding the inclusion of Licensed Birth Centers services in the Medicaid State Plan.

HSD is proposing to extend Department of Health (DOH) licensed birth center services to Medicaid-enrolled pregnant recipients as an alternative to other birthing options. With this addition, a pregnant recipient will have four different birthing options for delivering their infants: the mother's home, a midwife's office setting, a hospital facility, or a Licensed Birth Center.

In 2015, state legislation allowed for the licensure of freestanding birth centers, which was followed in 2016 with DOH implementing licensing standards. Under the rules of the federal Centers for Medicare and Medicaid Services (CMS), state Medicaid programs may enroll a birth center that is licensed by a state agency as a Medical Assistance provider.

HSD proposes to reimburse a Licensed Birth Center at a fee schedule amount of \$1,400 for a birth, which includes all of the supplies, medications, laboratory, radiology, and other services provided during the birth for the mother and the newborn. This rate does not include payment for the delivery procedure itself, or for other professional services which are paid to the certified nurse midwife or licensed midwife practitioner in accordance with existing rules.

This amount was developed after comparison to rates paid by other states and is approximately 47% of the average payment that would be paid to a licensed hospital by the Medicaid Program and its contracted managed care organizations. If the birth is not completed at the Licensed Birth Center because the mother is transferred to a hospital during the procedure, the payment would be 50% of the fee schedule amount. For a false labor event, the payment would be 10% of the fee schedule amount.

Adding coverage of Licensed Birth Centers to the New Mexico Medical Assistance program as a provider requires a State Plan Amendment that the federal Centers for Medicare and Medicaid Services (CMS) must approve. A draft of that State Plan Amendment is available as indicated below. It is the intent of HSD to file the State Plan Amendment by March 31, 2017, requesting a retroactive effective date of January 1, 2017. The effective date of the proposed change will be January 1, 2017, or as otherwise approved by CMS.

The primary reason for this change is to provide more options to pregnant women for birthing choices, and because it is consistent with Section 2301 of the Affordable Care Act, which encourages Medicaid coverage of freestanding birth centers.

Estimated Total Financial Impact

Because numerous studies have shown that use of Licensed Birth Centers is a cost-effective service, it is not anticipated that there will be any increased costs overall in the Medicaid program. Because a Licensed Birth Center is an addition to the types of providers paid by the Medicaid program, it is not anticipated that there will be any negative impact to access to providers associated with the change.

Tribal Impact

There are currently no freestanding birth centers, licensed or unlicensed, operated separately by an IHS facility or other tribal healthcare provider. Therefore, the coverage and proposed reimbursement rate would not have a tribal impact. However, as freestanding birth centers seek licensure, it is likely that a Native American Medicaid recipient will have more choices in their birthing options.

Tribal Advice and Comments

Tribes and tribal health care providers may view proposed State Plan Amendment (SPA) 17-002 on the HSD webpage at <http://www.hsd.state.nm.us/public-notices-proposed-rule-and-waiver-changes-and-opportunities-to-comment.aspx>.

SPA 17-002 Licensed Birth Centers

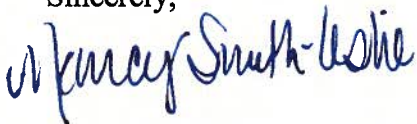
A written copy of these proposed documents may be requested by contacting the HSD Medical Assistance Division (HSD/MAD) in Santa Fe at (505) 827-6252.

Important Dates

Written advice and comments must be received no later than 5:00pm MST on Wednesday March 29, 2017. Please send your advice, comments or questions to the MAD Native American Liaison, Theresa Belanger, at (505) 827-3122 or by email to theresa.belanger@state.nm.us.

All comments and responses will be compiled and made available after April 10, 2017.

Sincerely,

A handwritten signature in blue ink that reads "Nancy Smith-Leslie". The signature is written in a cursive, flowing style.

Nancy Smith-Leslie
Director

cc: Kari Armijo, HSD/MAD Deputy Director
Theresa Belanger, Native American Liaison, HSD/MAD
HSD/MAD Centennial Care Bureau
HSD/MAD Program Policy Bureau