

**STORAGE NAME:** h1465.hhs

**DATE:** April 17, 1997

**HOUSE OF REPRESENTATIVES  
AS REVISED BY THE COMMITTEE ON  
HEALTH AND HUMAN SERVICES APPROPRIATIONS  
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** HB 1465

**RELATING TO:** Medicaid Recipients/Midwifery

**SPONSOR(S):** Representative Dockery and others

**STATUTE(S) AFFECTED:** Section 409.908, F.S.

**COMPANION BILL(S):** SB 1980 (I)

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) HEALTH CARE STANDARDS & REGULATORY REFORM YEAS 5 NAYS 2
- (2) HEALTH AND HUMAN SERVICES APPROPRIATIONS
- (3)
- (4)
- (5)

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**I. SUMMARY:**

The bill allows the Agency for Health Care Administration (agency) to reimburse midwives licensed under chapter 467, F.S., for home deliveries conducted for eligible Medicaid recipients.

The agency indicates the bill has a fiscal impact on state government but no fiscal impact on local government or the private sector.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Medicaid is a medical assistance program that pays for health care for the poor and disabled. The program is jointly funded by the federal government, the state, and the counties. The federal government, through law and regulations, has established extensive requirements for the Medicaid Program. The Agency for Health Care Administration (agency) is the single state agency responsible for the Florida Medicaid Program. The statutory provisions for the Medicaid Program appear in ss. 409.901 through 409.920, F.S.

The federal government requires state Medicaid programs to provide payment for certain services as a condition of receiving federal funds. Section 409.905, F.S., specifies the mandated Medicaid services. The federal government has also agreed to participate financially in paying for certain other services under the Medicaid Program, if a state elects to cover these "optional" services. Section 409.906, F.S., specifies those 21 optional Medicaid services which Florida has agreed to provide to Medicaid recipients.

Section 409.908, F.S., provides the statutory requirements under which providers of Medicaid services are reimbursed. Subsection (12) of this section is specific to physician reimbursement. Paragraph (d) of this subsection is specific to reimbursement for obstetrical services. Physicians and nurse midwives are reimbursed by Medicaid for deliveries, regardless of the delivery setting, although most physician- and nurse midwife-assisted deliveries occur in hospitals or birth centers. Currently, a licensed midwife can be reimbursed for prenatal and postpartum care provided to Medicaid recipients, but licensed midwives are specifically prohibited from receiving reimbursement for home deliveries. Few, if any, physicians or nurse midwives provide deliveries in the home; therefore, for women with normal, low-risk pregnancies desiring a home delivery, licensed midwives are the only option. Florida's Medicaid program does not reimburse for home deliveries conducted by licensed midwives.

Florida has licensed midwives since 1931. In 1982 and 1992, the Midwifery Practice Act (chapter 467, F.S.) was updated, based on World Health Organization standards and on successful European "direct-entry" midwifery programs. In order to become licensed, an applicant undertakes an intensive three-year national certification exam for state licensure. The educational program is founded on the core competencies of the Midwives Alliance of North America and the American College of Nurse-Midwives, the nation's leading midwifery organizations. The American College of Nurse-Midwives currently has 6200 members. Of those, approximately 5000 are in clinical practice. The remainder are students, faculty members, retired, or outside of clinical practice for a variety of reasons.

Licensed midwives are autonomous maternity care providers for women with normal, low-risk pregnancies. They work to meet their communities' needs in a variety of settings. In collaboration with a physician, they may also provide prenatal and postpartum care for women whose pregnancies require medical supervision. Licensed midwives are eligible for reimbursement by private insurers and by Medicaid for services other than in-home deliveries.

The provisions of s. 409.908(12)(d), F.S., were enacted as part of chapter 92-179, Laws of Florida, a bill reenacting chapter 467, F.S., following the Sunset Review of the regulation of licensed midwives.

In 1994 , the most current year for which data are available from the National Center for Health Statistics, there were 205,049 midwife-attended births in the United States. This accounts for more than five percent of the births that year.

The Legislature has recognized a family's right to choose an appropriate setting for their child's birth (ch. 467.002, F.S.). A 1991 study by the Senate Health Care Committee affirmed that the home is a safe birth site for healthy women when screening is performed and emergency plans formulated. Licensed midwives receive training specific to the home birth setting, yet at the present time, the state's Medicaid program will not pay for home deliveries conducted by licensed midwives. Only certified nurse midwives or physicians may be reimbursed through the Medicaid program for home deliveries. Ninety percent of home birth practitioners in Florida are licensed midwives.

**B. EFFECT OF PROPOSED CHANGES:**

The bill authorizes Medicaid to provide reimbursement to midwives licensed under ch. 467, F.S., for home deliveries.

**C. APPLICATION OF PRINCIPLES:**

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

Licensed midwives would be eligible for Medicaid reimbursement for home deliveries.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No. Under current state law, individuals and families can choose home deliveries by licensed midwives. Medicaid reimbursement for such deliveries, however, will make this option a more realistic one for Medicaid recipients.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

- (5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

No.

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

- (1) parents and guardians?

Medicaid eligible parents who wished to have a home delivery conducted by a licensed midwife would be able to have the delivery services reimbursed through the Medicaid program.

(2) service providers?

No.

(3) government employees/agencies?

No.

**D. SECTION-BY-SECTION RESEARCH:**

Section 1. Amends s. 409.908(12)(d), F.S., 1996 Supplement, to delete current language which prohibits Medicaid reimbursement for home deliveries by midwives licensed under chapter 467, F.S.

Section 2. Provides an effective date of July 1, 1997.

**III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:**

**A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:**

1. Non-recurring Effects:

None.

2. Recurring Effects:

According to the agency, it would cost approximately \$288,000 for Medicaid to cover licensed midwife services. The agency further assumes that it would cost \$360,000 to provide for such deliveries through higher cost alternative means. Thus, a savings of \$72,000 may materialize. Neither the anticipated costs or the assumed offset from reduced utilization of higher cost services are contemplated in the House Health and Human Services Appropriations Act.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

See comments under section 1 above.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:**

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

See Section 3.

2. Direct Private Sector Benefits:

See Section 3.

3. Effects on Competition, Private Enterprise and Employment Markets:

Provides an alternative for Medicaid recipients for home deliveries. It may increase competition between midwives licensed under chapter 467, F.S., registered nurse midwives, and physicians for deliveries.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

**STORAGE NAME:** h1465.hhs

**DATE:** April 17, 1997

**PAGE 8**

The bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

The Midwives Association of Florida has indicated that they support the bill. The following groups have indicated that they oppose the bill:

- ▶ Florida Obstetric & Gynecologic Society
- ▶ Florida Medical Association
- ▶ Florida Nurses Association
- ▶ Florida Pediatric Society
- ▶ American College of Nurse-Midwives
- ▶ American College of Obstetricians and Gynecologists
- ▶ Florida League of Health Systems
- ▶ Association of Community Hospitals & Health Systems of Florida
- ▶ Florida Osteopathic Medical Association
- ▶ Florida Academy of Family Physicians

It must be noted that many of the issues which were brought forward by the opponents of the bill related to the practice of midwifery itself (those who are not nurse midwives). This bill does not relate to the **practice** of midwifery. The bill allows Medicaid reimbursement for home deliveries

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

One amendment was adopted in Committee. The amendment directs the Agency for Health Care Administration to adopt rules regarding appropriate insurance coverage by midwife licensees. It also provides that prior to the issuance and renewal of an active license, or reactivation of an inactive license, proof of insurance coverage must be submitted.

VII. SIGNATURES:

COMMITTEE ON HEALTH CARE STANDARDS & REGULATORY REFORM:

Prepared by:

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AS REVISED BY THE COMMITTEE ON HEALTH AND HUMAN SERVICES

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