- Transforming Maternity Care - http://transform.childbirthconnection.org -

5 reasons birth centers have met their moment

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Childbirth Connection has been advocating for greater access to birth centers for much of our 95 year history. We opened the first urban birth center in 1975 and helped found the organization that would later become the American Association of Birth Centers (AABC). Our director from 1970 to 1995, Ruth Lubic, went on to win a MacArthur "Genius" Award for her pioneering work in birth center innovation. Although the number of birth centers has increased in the intervening decades, birth centers remain a very small segment of the health care system. Just 0.3% of U.S. births take place in birth centers.

But a new study out today and a congressional briefing next week are sure to heighten attention to this high-quality, high-value care option. Added to other trends and recent developments, we anticipate this new study will trigger rapid growth in birth centers, and more focused and innovative efforts to integrate birth centers into the health care system. Here are 5 reasons birth centers have met their moment.

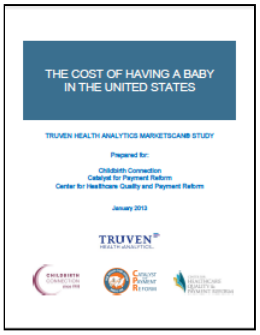
1. Virtually everyone now agrees the c-section rate is too high. Birth centers are an effective solution.

Calls for attention to cesarean overuse have grown into a chorus in recent years, with major reports and research reviews, influential editorials, and an increasingly organized and vocal grassroots movement all contributing. Last year, the National Priorities Partnership Maternity Action Team announced a national goal to reduce the c-section rate in low-risk women to 15% or less and the Joint Commission announced it would require accredited hospitals to report on maternity measures including the c-section rate in low-risk first time moms.

While there is widespread agreement about the problem, however, there is considerably less certainty about the solutions. A recent federally funded evidence review found efforts to improve hospital care have been uneven in their impact on c-section rates, and strong evidence that specific interventions reduce the risk of c-section is generally lacking. In contrast, **the National Birth Center Study II, released today, reports a 6% c-section rate in women eligible for birth center care at the onset of labor, with no evidence that this low rate was associated with counterbalancing harm.** With about a quarter of low-risk women having c-sections in U.S. hospitals, scaling up birth center care is a clear strategy for safely preventing many c-sections.

2. The cost of hospitalization is unsustainable. Birth centers achieve value with good outcomes and a much lower price tag.

Our recent report, *The Cost of Having a Baby in the United States*, outlined the high and growing costs of hospital-based maternity care, and the extent to which these costs are concentrated in the childbirth hospitalization. Since 2004, commercial payments for maternal care with both vaginal and cesarean births increased by over 50%, with out of pocket expenses borne by families increasing four-fold during that time. In 2010, Medicaid programs paid an average of $18,329 for a vaginal birth and $27,866 for a cesarean birth, with commercial insurers paying almost twice this amount ($32,093 and $51,125, respectively).



These totals were dominated by a single part of the bill: the hospital facility fee. That's the fee paid to hospitals to cover the hospital stay, not including anesthesiology, physician/midwife care, pharmacy, radiology, etc. The average commercial insurance payment to hospitals to cover the childbirth hospitalization facility fee was $9,759 per vaginal birth and $17,140 per cesarean, while Medicaid programs paid hospital fees averaging $4,492 and $7,722 for vaginal births and cesareans, respectively.

Birth centers can reduce these costs in 2 ways. The first is the most obvious – **by keeping women out of the hospital, birth centers help payers avoid hospital facility fees.** Birth centers charge facility fees, too, but they are a fraction of the average fees paid to hospitals. (Although we don't have data on the amount *paid* to birth centers, the AABC reported the amount *charged* by birth

centers in 2010 averaged $2,277. Generally insurers and Medicaid programs pay considerably less than what facilities charge.) **The second way birth centers may reduce costs is by reducing the use of cesareans, as well as other costly interventions including anesthesia.** An independent report produced for AABC estimated that the 15,000 women in the National Birth Center Study II avoided 3,000 unnecessary cesareans and saved payers $4.5 million in the process.

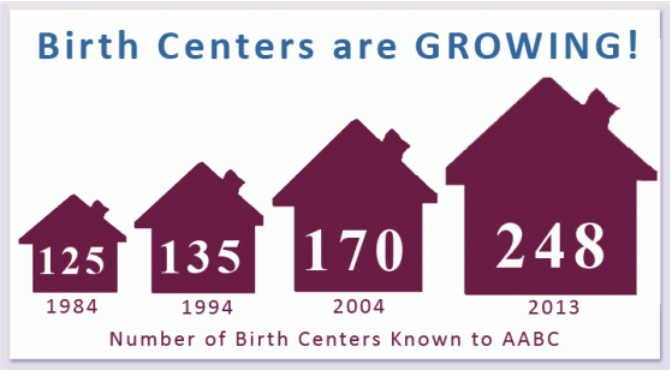
3. Payment models are coming that will reward well coordinated birth center care.

A major part of health care reform efforts has been to align reimbursement with high-quality, high-value care. There are many related and overlapping payment innovations – accountable care organizations, bundled payments, shared savings programs, and so on. The aim of all of these is to reward care that keeps people healthy, and to incentivize new care delivery models that do so efficiently. As Harold Miller, Executive Director of the Center for Healthcare Quality and Payment Reform, pointed out in his 2010 *Transforming Maternity Care* webinar, **our current system rewards hospitalizations, c-sections, and complications**. Well thought-out payment reforms can reward what our system really ought to be designed to deliver: healthy moms and healthy babies. Coordinated systems that integrate birth center care for low-risk women have a high likelihood of achieving these goals.

4. All sorts of things that used to only happen in hospitals are now commonly performed in outpatient centers.

Last year 23 million procedures occurred in ambulatory surgery centers (source). Just 3 or 4 decades ago, virtually all of these would have taken place in hospitals. Of course, childbirth and procedures like knee surgery have almost nothing in common, but the growth of outpatient care settings has provided regulatory frameworks, payment mechanisms, care coordination models, and growing recognition that community-based alternatives to hospitals can provide safe, efficient, patient-centered care. All of these shifts pave the way for expansion of birth centers.

5. Women want it.



Last but certainly not least, demand for birth center care is growing. According to the AABC, the number of centers in the United States has grown by 27% in just the past 3 years, accelerating a growth trend that has been seen for decades. And this growth has happened while the overall birth rate has declined. From 2007-2010 the annual number of U.S. births decreased by 7.3% and the annual number of birth center births increased by 21.7%. We don't know how many women want birth center care but don't have the option available in their communities, or cannot afford it due to inadequate insurance coverage. (Stay tuned, results from Listening to Mothers III due out in May will provide some insight on these questions.)

Are you involved in birth centers? What do you see as the remaining obstacles for expanding access?

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