

# Vermont Legislative Joint Fiscal Office

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## ISSUE BRIEF

Date: 1/30/17

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### Medicaid Coverage for Doula Services in Vermont

A doula is a trained professional who provides non-medical emotional, physical, and educational support to pregnant women and their families before, during, and immediately after childbirth. Doulas are also known as birth or labor companions, labor support specialists/professionals, birth or labor assistants, and/or post-birth supports.

The fiscal impact on the State budget of offering doula services as a Medicaid benefit would depend on the level of benefit provided. JFO used the language as drafted in H.628 of the 2016 legislative session which proposed coverage up to \$750 per pregnancy as a starting point for this analysis. In general, the cost of doula services varies by region but often ranges from \$750 to \$1,500 per pregnancy.<sup>1</sup> This includes a prenatal visit, delivery, and post-delivery follow-up.

In 2015, Vermont Medicaid covered 2,695 births. However, it is difficult to estimate how many Medicaid beneficiaries might utilize doula services. National estimates of how many women use doula services vary. A number of articles and journals reference a 2013 national survey of women's childbearing experiences by *Childbirth Connection*. According to the survey, 6% of women who gave birth between 2011 and 2012 used a doula or trained labor assistant.<sup>2</sup> The estimates below assume a benefit of up to \$750 per pregnancy and uptake of a fully rolled out program to be as high as 3% in year one and 6% in year two. They do not take into consideration any potential administrative costs to the State.

#### Estimated FY'18 Fiscal Impact of Medicaid Coverage for Doula Services: \$750 Per Pregnancy

	Estimated Service Utilization (Defined as % of women with pregnancies resulting in births that use doula services)	Total Annual Gross	State Share if eligible for federal match
Year 1 est.	3%	\$60,638	\$28,063
Year 2 est.	6%	\$128,552	\$59,494
	<i>If Uptake reaches 10%</i>	<i>\$214,253</i>	<i>\$99,156</i>

Note: Based on data provided by the Dept. of Vermont Health Access

<sup>1</sup> Kozhimannil, K., Hardeman, R. *How Medicaid Coverage for Doula Care Could Improve Birth Outcomes, Reduce Costs, and Improve Equity* (July 2015). Health Affairs Blog. <http://healthaffairs.org/blog/2015/07/01/how-medicaid-coverage-for-doula-care-could-improve-birth-outcomes-reduce-costs-and-improve-equity/>

<sup>2</sup> Listening to Mothers III. *New Mothers Speak out. Report of National Surveys of Women's Childbearing Experiences Conducted October – December 2012 and January 2013* (June 2013). [http://transform.childbirthconnection.org/wp-content/uploads/2013/06/LTM-III\\_NMSO.pdf](http://transform.childbirthconnection.org/wp-content/uploads/2013/06/LTM-III_NMSO.pdf)

## **Other Considerations**

### Administrative consideration:

The estimates do not take into consideration any administrative costs to the Agency of Human Services (AHS) for preparing a State plan amendment (SPA) and administrative rules, setting up a reimbursement or fee schedule, enrolling doulas as providers, or creating and maintaining a registry in Vermont.

In addition, DVHA can only pay licensed providers in order to receive federal matching dollars. Doulas are not currently licensed by the Secretary of State's Office of Professional Regulations (OPR). As such, doulas would have to practice under the supervision of a licensed clinician and bill through that clinician's national provider identification (NPI) number in order to receive Medicaid reimbursements. This could create a barrier, particularly for doulas that have independent practices and/or do not have relationships with other licensed practitioners.

In short, an infrastructure that would create a pathway to Medicaid reimbursement would have to be created, which may require both time and financial resources.

### Access to doula services

We do not know how many doulas are in the State of Vermont. Based on a quick Internet search and conversations with doulas and the Lund Family Center, our rough estimate suggests as many as 40 to 50 doulas practicing in Vermont. In addition, there is currently only one doula trainer in the State, although on-line training and certification opportunities exist as well. Also, as mentioned above, it is unclear how many currently have relationships and/or would need to create relationships with licensed clinicians with an NPI number in order to receive a Medicaid match, assuming these services obtain approval from CMS to receive federal matching dollars.

## **Potential for savings**

Empirical evidence suggests that mothers who utilize doula services have better birth outcomes than mothers who give birth without the involvement of a doula.<sup>3</sup> In addition, studies suggest that the use of doula services has helped lower cesarean and pre-term birth rates, reduced the average labor length, and decreased the use of epidural and other analgesia intrapartum (pain relief during child birth or delivery).<sup>4,5</sup> In March 2014, the American College of Obstetricians and Gynecologists and the Society for Maternal-Fetal Medicine released a consensus statement avowing that "published data indicate that one of the most effective tools to improve labor and delivery outcomes is the continuous presence of support personnel, such as a doula."<sup>6</sup>

Despite the research, the experiences of Oregon and Minnesota show that providing coverage for doula services may not necessarily translate into immediate or easily measurable savings to the Medicaid program. When H.B. 3311 passed in Oregon, the Legislative Fiscal Office estimated there

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<sup>3</sup> Gruber, KJ, Cupito, S., Dobson, C. *Impact of Doulas on Health Birth Outcomes* (2013). Journal of Perinatal Education. v.22(1): 49-58. <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3647727/>

<sup>4</sup> Kozhimannil, K., Hardeman, R., Attanasio, L., Blauer-Peterson, C., O'Brien, M. *Doula Care, Birth Outcomes, and Costs Among Medicaid Beneficiaries* (April 2013). American Journal of Public Health, Vol. 103 (4), pp.e113-e121.

<sup>5</sup> Hodnett, ED., Gates, S., Hofmeyr, G., *Continuous support for women during childbirth* (July 2013). Cochrane Database of Systematic Reviews. [http://www.cochrane.org/CD003766/PREG\\_continuous-support-for-women-during-childbirth](http://www.cochrane.org/CD003766/PREG_continuous-support-for-women-during-childbirth)

<sup>6</sup> <http://www.acog.org/Resources-And-Publications/Obstetric-Care-Consensus-Series/Safe-Prevention-of-the-Primary-Cesarean-Delivery>

would be no impacts on state or local revenues.<sup>7</sup> In addition, significant challenges implementing the laws in both Oregon and Minnesota have hindered roll-out and uptake of the program which in turn have likely thwarted any potential savings to date.

### **Minnesota and Oregon**

As of now, it appears that only two states have passed legislation mandating Medicaid reimbursement for doula services. Minnesota's law, which covers doula services provided by certified doulas, became effective on July 1, 2014 (and was amended in May 2015). However, according to an evaluation of the first year of the program, implementation was challenging and it was unclear if any providers had actually received any Medicaid reimbursement within the first year of implementation due to factors such as difficulty becoming an enrolled provider, lack of awareness of doula coverage among Medicaid beneficiaries, low reimbursement rates (\$411 per birth), and barriers to training, certification, and registration of doula professionals.<sup>8</sup> In addition, because doulas are not licensed in Minnesota, doula services must be provided under the supervision of a licensed clinician and billed through that clinician's national provider identification (NPI) number in order to be reimbursed by Medicaid.<sup>9</sup> The Minnesota Department of Health also maintains a Doula Registry.<sup>10</sup>

Oregon, where Medicaid coverage began January 1, 2014, had a similar experience. As of 2016, there were only 16 doulas enrolled in the Medicaid program out of approximately 600 statewide. Again, reasons for the slow uptake include a low reimbursement rate (between \$400-600), questions and lack of clarity around the supervision of doula services, and awareness of the service and what services are reimbursable. Currently Oregon only reimburses for day of delivery and post-partum services. According to Oregon Medicaid, work is being done to expand it to a more comprehensive suite of services and modify the reimbursement rates. Prior to Oregon Medicaid including Doula services, it had been a private pay service outside the traditional health care system. CMS required the state to establish a structure (such as a board certification process) before it could be a reimbursable service.<sup>11</sup>

### **Summary**

Evidence suggests a connection between doula services and positive medical outcomes for women who utilized doula services and a potential for savings in the Medicaid program. However, given the experiences in Oregon and Minnesota, Medicaid coverage for doula services may not necessarily translate into immediate or easily measurable savings to the Medicaid program if Vermont were to pursue a similar initiative. Further, based on the experience of these states, it is unclear how quickly such a program could be fully rolled out in Vermont after passage of such legislation. An infrastructure that would create a pathway to Medicaid reimbursement would have to be established. Finally, the federal government would have to approve a State plan amendment (SPA) before the State could receive federal matching dollars to provide doula services through Medicaid.

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<sup>7</sup> <https://olis.leg.state.or.us/liz/2015R1/Measures/Analysis/HB3311>

<sup>8</sup> *Medicaid Coverage of Doula Services in Minnesota: Preliminary findings from the first year – Interim report to the Minnesota Department of Human Services* (July 2015). <http://www.everyday-miracles.org/wp-content/uploads/2015/07/MN-DHS-Interim-Report-Doula-Services-July-2015-Full-Report.pdf>

<sup>9</sup> Kozhimannil, K., Hardeman, R. *How Medicaid Coverage for Doula Care Could Improve Birth Outcomes, Reduce Costs, and Improve Equity* (July 2015). Health Affairs Blog. <http://healthaffairs.org/blog/2015/07/01/how-medicaid-coverage-for-doula-care-could-improve-birth-outcomes-reduce-costs-and-improve-equity/>

<sup>10</sup> Minnesota Doula Registry - <http://www.health.state.mn.us/divs/hpsc/hop/doula/index.html>

<sup>11</sup> Conversations with Nathan Roberts, Operations and Policy Analyst with Oregon Medicaid, October 18, 2016.