

# A Bundled Clinical Care and Payment Model for Maternity and Newborn Care

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**Disclosures: Medical Director at Minnesota Birth Center  
and developer of the BirthBundle™**

# Basic Background

- Pregnancy is the ideal episode for bundled payment (maternity AND newborn care)
- Importance of defining the product (it is more than processes and inputs – in the current FFS system, global is NOT truly global)
- The role of CNMs is expanding, as is the option of accredited independent birth centers

# MN Background

2010

- A naïve high-risk OB with 30+ years of experience envisions better maternity and newborn care.

2011

- Birth Centers became licensed in the State of Minnesota

2012-2015

- In 2012 Minnesota Birth Center opened in Minneapolis and has served 450+ mothers to date
- 2015 Minnesota Birth Center opens facility in St. Paul

# Minnesota Birth Center Model of Care



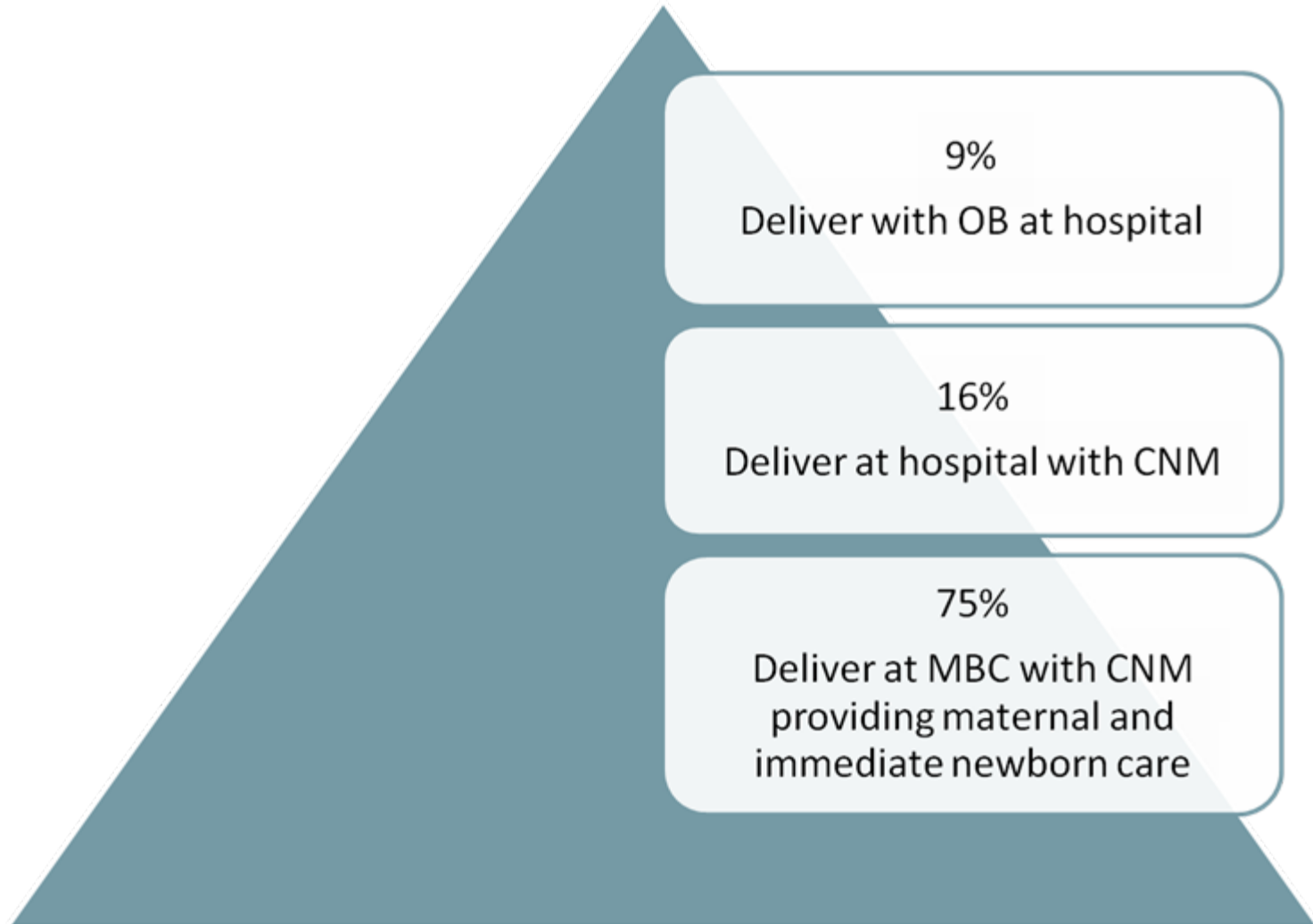
- At the Minnesota Birth Center pregnancy and childbirth are treated as normal physiologic processes.
- Certified Nurse-Midwives provide mothers with compassionate, evidence-based care to achieve a satisfying childbirth experience.
- An integrated medical safety-net is in place for healthy mothers that experience complications during pregnancy and birth.

# Birth Suite

- Comfortable, home-like environment
- Medical supplies are out of sight
- Tub available for labor and birth
- Nitrous oxide available for pain management



# Delivery Routes





The BirthBundle™ is a comprehensive maternity and newborn product that provides better clinical outcomes to mothers at a lower cost. It does so by using a proven, coordinated clinical care model that is paid as a single price.



#### PATIENTS

- Healthy, low-risk pregnant women
- >60% of pregnancies in Twin Cities Metro area



#### PROVIDERS

- Certified Nurse-Midwives
- Collaborating OB Physicians
- Initial perinatal ultrasound and consult



#### FACILITIES

- Minnesota Birth Center- Minneapolis & St. Paul
- Abbott Northwestern & United Hospitals

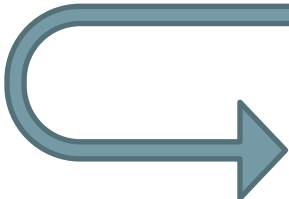


The BirthBundle™ is designed to be truly “global”, including 50+ ICD 9 codes. To ensure each mother that is enrolled in the BirthBundle™ delivers her baby in the safest facility there are two routes for delivery: birth center & hospital.

PROFESSIONAL & FACILITY	Birth Center Delivery	Hospital Delivery
PRICE	\$12,500	\$9,000
Maternity Care	x	x
Routine Labs	x	x
Ultrasound	x	x
MD Consults	x	x
Childbirth Education	x	x
Doula Support	x	x
Delivery	x	x
Post Partum	x	x
Immediate Newborn Care	x	
Facility Fee (Mom & Newborn)	x	

# Estimated Cost for BirthBundle™ Patients

BirthBundle Cost for 100 Births			
BirthBundle™	Price	Deliveries	Cost
Birth Center Delivery	\$ 12,500	75	\$937,500
Hospital Delivery	\$ 9,000	25	\$225,000
BirthBundle™ TOTAL		100	\$1,162,500



Estimated Additional Hospital Fees for BirthBundle™ Patients				
Other Fees		Price*	# Patients	Cost
Cesarean Section	Facility Fee, Mom	\$ 8,714	9	\$ 78,426
	Facility Fee, Newborn	\$ 8,426	9	\$ 75,834
	Anesthesia	\$ 982	9	\$ 8,838
Vaginal Delivery	Facility Fee, Mom	\$ 5,656	16	\$ 90,496
	Facility Fee, Newborn	\$ 4,103	16	\$ 65,648
	Anesthesia	\$ 577	14	\$ 8,078
All	Lab	\$ 483	25	\$ 12,075
	Radiology	\$ 882	25	\$ 22,050
	Pharmacy	\$ 400	25	\$ 10,000
TOTAL			25	\$ 371,445

➤ 9% C/S Rate

➤ Mothers that transfer to hospital are still likely to have a vaginal delivery

**TOTAL :**  
**\$1,533,945**

\* Prices based on 2010 study commissioned by Childbirth Connection, Catalyst for Payment Reform , and the Center for Healthy Quality and Payment Reform, available at [transform.childbirthconnection.org/reports/costs](http://transform.childbirthconnection.org/reports/costs)

# Estimated Cost for Traditional Hospital Patients & BirthBundle™ Savings

Hospital Delivery	Price*	Deliveries	Cost
Vaginal Delivery	\$ 18,329	70	\$ 1,283,030
Cesarean Delivery	\$ 27,866	30**	\$ 835,980
Estimated Total		100	\$ 2,119,010

- Prices based on 2010 study commissioned by Childbirth Connection, Catalyst for Payment Reform , and the Center for Healthy Quality and Payment Reform, available at [transform.childbirthconnection.org/reports/costs](http://transform.childbirthconnection.org/reports/costs)
- \*\* Cesarean section rate based on Minnesota Hospital Association rates for United and Abbott Northwestern

Savings on 100 Births	
100 Traditional Hospital Deliveries	\$ 2,119,010
100 BirthBundle Deliveries	\$ 1,533,945
BCBS Savings	\$ 585,065

**28% Savings**



## **MORE INNOVATIONS**

### **Birth Outcomes Registry Network (BORN):**

Measuring real-time outcomes and patient satisfaction

### **AthenaHealth:**

Cloudbased EHR, practice & claims management tool

### **Research:**

Dr. Kozihimannil from U of MN School of Public Health is leading cost and clinical outcomes study

Which four grandchildren were born at the birth center?



# Unique bundling challenges for public programs and commercial insurance

- Public programs cover pregnancy care for >2 of 5 mothers nationally
- Most are on Medicaid so these mothers have no financial incentive to choose different care options.
- They desire and deserve options
- Commercial insurance pays nearly double the amount that public programs pay for care
- High deductible policies are an expensive hurdle for many mothers
- Insurers and employers must be creative in plan design

# Questions and Discussion