

Minnesota Birth Center and the BirthBundle®

Dr. Steve Calvin, Founder and Medical Director
Tricia Balazovic, Administrative Director



Background



- A Maternal-Fetal Medicine Specialist with 30+ years of experience envisions better maternity and newborn care for low-risk mothers
- Opens midwife-led birth center in Minneapolis, MN
- Based on demand, opens 2nd birth center in St. Paul, MN
- Designed the BirthBundle®, a maternity and newborn care product that provides coordinated care with better clinical outcomes for a single price.

Clinical Landscape

- ◆ In 2011 ACOG did a workforce study and found that the demand for women's health care is growing, projecting an OB shortage. Increased CNM involvement was recommended.
- ◆ 4 million births per year in the US
- ◆ 2639 hospitals provide maternity care in the US
- ◆ 1 in 74 mothers gives birth outside a hospital. This varies by demographic and region and is growing (CDC).
- ◆ 1/10 births are currently attended by a midwife (mostly certified nurse midwives – CNMs)

Payment Landscape

- 💧 Maternity and Newborn billing is very confusing
- 💧 Current billing/coding structure is misleading. The “global” only covers professional fees = 20-23% of total paid claims for the maternity episode

% of Total Costs		
Charge Type	Vag	C/S
Facility	54%	60%
Professional	23%	20%
Prof Anesth.	8%	7%
Radiology	7%	7%
Lab	4%	3%
Pharm.	4%	3%

* Data based on Truven Study

Payment Landscape

- ◆ At the time of birth, there are two patients and at least four bills: including professional and facility for the mother and the newborn and sometimes anesthesia, radiology, etc.
- ◆ Fee-for-service may incent more interventions that increase cost without improving outcomes
- ◆ Maternity care is a care episode where the consumer wants to shop but lack of price and quality information is a challenge

Minnesota Birth Center Model of Care



- At the Minnesota Birth Center pregnancy and childbirth are treated as a normal physiologic process.
- 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.

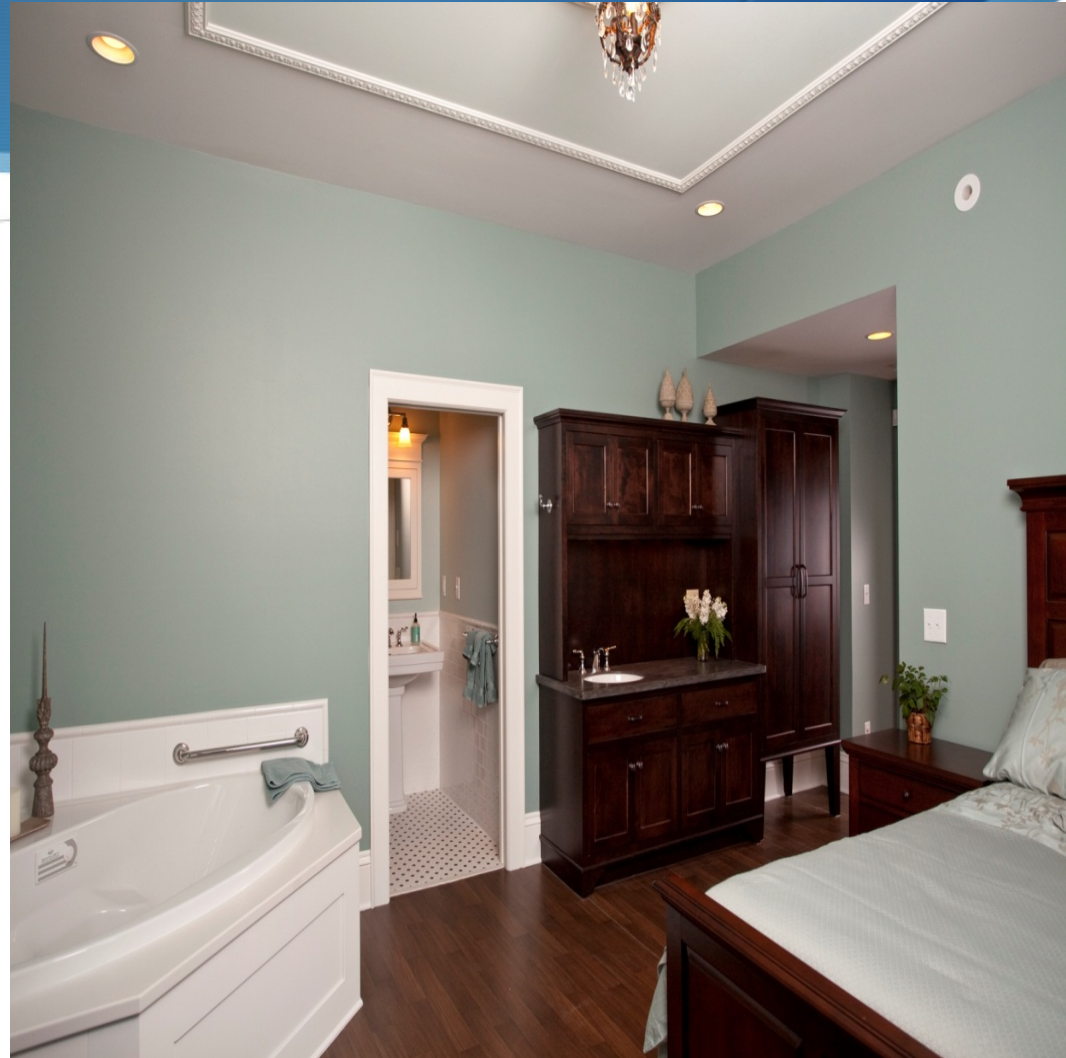
Location is Key



Birth Suite



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



Why Maternity Care?

- ◆ **Transparent Costs:** Maternity care is unnecessarily expensive with very little cost transparency.
- ◆ **Improved Outcomes:** The CDC reported a 32.7% C/S rate in 2013 in the US, double the WHO recommendation
- ◆ **Time limited and defined:** The bundle includes pre-natal, intra-partum and post-partum care. From 270 days prior and up to 56 days after the delivery
- ◆ **Price Sensitive:** Many mothers choose to “shop” maternity care, creating the potential for competition in the market.
- ◆ **Unmet Need:** Births in birth centers are lower cost, safe for most patients, and preferred by many mothers but are not yet widely available.

Maternity Care & Payment Model: Redesigned

HIGHER QUALITY CARE FOR A LOWER, MORE PREDICTABLE COST

- ◆ **Minnesota Birth Center:** To demonstrate that an independent-integrated midwife-led birth center can provide low-risk mothers with excellent primary maternity care that is safe, satisfying and lower in cost.
- ◆ **BirthBundle®:** To show that a comprehensive bundle of maternity and newborn care can be provided for a single price using the foundation of midwife-led primary maternity care teams in independent-integrated birth centers.

BirthBundle® Design

- ◆ The BirthBundle® is designed to be truly “global”, including 50+ procedure codes.
- ◆ To provide each mother in the BirthBundle® the safest care, there are two routes for birth: birth center & hospital.
- ◆ This care and payment model demonstrate savings through better clinical outcomes at a lower price.

Cost for 100 FFS Hospital Births

Hospital Births	Price	# of Births	Total \$
Vaginal Birth	\$16,576	70	\$1,160,320
Cesarean Birth	\$23,001	30	\$690,030
	TOTAL	100	\$1,850,350

- C/S rate is 30%, MN Hospital Association
- Price is claims paid data Guroo.com

Cost for 100 BirthBundle® Births

BirthBundle®	Price	# of Births	Total \$
Birth Center	\$12,500	75	\$937,500
Hospital	\$9,000	25	\$225,000
BirthBundle® Total		100	\$1,162,500
Estimated costs outside of the BirthBundle®			\$371,455
		TOTAL	\$1,533,955

- \$371K represents hospital costs not included in BB: facility & NB care
- 9% C/S rate, 91% Vaginal Delivery

Cost Comparison: BirthBundle® Vs. FFS Hospital for 100 Births

Payment Model	Total \$
FFS Hospital	\$1,850,350
BirthBundle®	\$1,533,955
Savings	\$316,395

- Clients that go through BirthBundle® offer 17% savings over FFS payment model to the payer

MBC Statistics

May 2012-December 2015

Delivery Location	Quantity	% to Total
MN Birth Center	487	68%
Hospital	225	32%
Total	712	100%

Delivery Type	Quantity	% to Total
Vaginal	646	91%
Natural	613	86%
Assisted	33	5%
Cesarean Section	66	9%
TOTAL	712	100%

Barriers

- ◆ Poor understanding of midwives, out-of-hospital facilities and their philosophy of maternity care
- ◆ Low/unsustainable reimbursement by payers and lack of understanding of the value of adding to networks
- ◆ Hospital's fear of competition and continued lack of cost transparency
- ◆ Responding to the charge of “cherry-picking” low-risk moms

QUESTIONS



Resources

- **Minnesota Birth Center:** theminnesotabirthcenter.com
- **AABC:** birthcenters.org
- **Blog:** pregnant-pauses.org
- **Dr. Calvin's Email:** Steve@theminnesotabirthcenter.com
- **Tricia Balazovic's Email:** tricia@theminnesotabirthcenter.com