

Title: *A single bundled payment for comprehensive low-risk maternity and newborn care provided by midwife-led practices in independent birth centers that are clinically integrated with physician and hospital services.*

Expected Participants: Care for 250-300 low-risk pregnant mothers/year by a 4-5 member certified nurse-midwife (CNM) team(s) collaborating with consulting obstetrics, pediatric and neonatal physicians. In addition prenatal education, doulas and lactation support services are included in the package of care. The package of care will be available to all payers. This includes Medicare, which pays annually pays for the care of 15,000 mothers - 300 per year in Minnesota.

Payment Model Goals: Pregnancy and birth are usually normal when allowed to proceed with support and careful observation but since there is potential for complications an obstetrical safety net is required. More than two thirds of pregnancies are low-risk. For these mothers the current maternity care model is highly -fragmented and incents more care, which incurs more expense to the payer. At the end, there are at least 4 bills; professional and facility charges for both the mother and newborn. With more than 50% of the expense going towards facilities there are innate savings by including a low-cost outpatient birth facility. Additionally the single payment model for the maternity episode of care will drive collaboration and improved outcomes.

Model Overview: A single payment will be made for all maternity and newborn care provided to low-risk mother/baby pairs. This will include all professional, laboratory, imaging, and facility fees for prenatal care, birth care, immediate newborn care and post partum follow up of the mother to 6 weeks. A small number of mothers and babies (<5%) will fall outside the bundle and continuity of clinical care will still be arranged for them. This model meets the criteria for the most advanced APM model #7. It addresses the care of two individuals – mother and baby. Opportunities for benefit include: reduced elective early deliveries and the use of cesarean section, reduced low birth weight births and need for neonatal ICU care, reduced delivery complications, and birth in lower-cost settings.

Implementation Strategy: The Minnesota Birth Center has provided excellent clinical outcomes for more than 1000 mother/baby pairs in this model of care since 2012. Care has primarily been provided in independent birth centers located in Minneapolis and St. Paul, Minnesota. If clinically necessary, care is provided in the hospital by the primary CNM and collaborating physicians. Patient satisfaction is very high and the cost of providing care is less than the current system; however unsustainable payer reimbursement and regulation have created barriers that

prevent further expansion of this model. We now have a commitment from our hospital partners with the Mother Baby Clinical Service Line of Allina Health System and Children's Hospitals and Clinics of Minnesota to serve as subcontractors by giving us guaranteed case rates for mothers and babies who need hospital care for birth and early newborn care. We hope that regulations will ultimately be revised to permit APM models to serve the nearly 2,000,000 mothers per year whose care is covered by Medicaid.

Timeline: We anticipate submission of our proposal by March 30, 2017. We are able to implement the payment model immediately.