

# Medicaid Cost Savings in 2022 for Midwives (CPM/CDM) in the State of Alaska

## Cost Savings

Total vaginal deliveries attended by CPM/CDMs	567
Percentage paid by Medicaid (DKC)	38%
Total Medicaid births by CPM/CDMs for 2022	215
Medicaid payment per birth for CPM/CDMs	\$982.74
Birth Center Facility Fee for CPM/CDMs	\$2603.19
Medicaid payment for NSVD OB/GYN	\$1130.15
Hospital Facility Fee for Vaginal Delivery	\$26,659.

(Does not include professional or physician fees, pediatrician visits, newborn fees)

Total for Home Birth = \$982.74

Total for Birth Center Birth = \$ 3585.93

Total for OB Hospital Birth = \$27,789.15

### Cost savings for a home birth vs a hospital birth for 215 births

$\$982.74 \times 215 \text{ births} = \$211,289.10$  vs  $\$27,789.15 \times 215 \text{ births} = \$5,974,667.25$

**Saving Medicaid \$5,763,378.15\***

### Cost savings for a birth center vs a hospital birth for 215 births

$\$3585.93 \times 215 \text{ births} = \$813,289.10$  vs  $\$27,789.15 \times 215 \text{ births} = \$5,974,667.25$

**Saving Medicaid \$5,161,378.15\***

**Midwives (CPM/CDMs) saved Medicaid over \$5 million dollars in 2022 in just birth fees.**

Keep in mind that \$5 million is only 6% of the births in Alaska. \*This does not include the savings for prenatal care and postpartum care.

Sources: Medicaid Alaska Vital Statistics Annual Report, Medicaid Fee Schedules, Providence Hospital online insurance estimates for care.

The savings are similar every year I investigated starting in 2020.

# Alaskan Midwives

## Cost Savings with CPM/CDM Care Demonstrated by Alaska State Data:

- **Total Savings to Alaska Medicaid are approximately \$5.4 million per year.** This estimate is based on low risk, vaginal birth and facility fees only.
- **Midwife (CDM/CPM) cesarean rate is on average 6%** vs the Alaska Hospital rate of 23%
- Cesarean sections are substantially more expensive than a low-risk birth, so **Midwives (CDM/CPMs) saved the Alaska Medicaid millions more when this is factored in.**
- According to the 2022 Legislative Audit, **the Midwifery Board Total Expenditures for FY2021 was \$28,242, which was paid by our Boards incoming revenues from license fees and left the Board ending cumulative SURPLUS of \$67,329.**
- **Cost savings to the State of Alaska** from the care of CDM/CPMs is approximately **192 times the cost of administrating the State Board of Certified Direct Entry Midwives.**
- **Cost savings achieved** with CDM/CPMs attending **6% of the births in Alaska.**

## Improved Outcomes for Women and Infants with CDM/CPM Care Demonstrated:

- **Significantly lower cesarean section rates** with the care of CDM/CPMs. (**6% vs 23%**)
- **CDM/CPMs have had 0 Maternal Deaths** vs the Hospital rates of 6-20 per year. (see Pregnancy – Associated Mortality in Alaska pdf)
- Significantly **fewer low birth weight babies and babies born prematurely** with the care of CDM/CPMs, all indicators for improved outcomes, especially for vulnerable populations.
- Significantly **higher breastfeeding rates (99% at birth and 99% at 6 weeks postpartum)** with the care of CDM/CPMs, with the accompanying demonstrated health benefits for mother and infants extending throughout lifetimes.
- **Higher rates of intact perineum** (without a tear or episiotomy); Lower rates of episiotomy.
- Lower unneeded medical interventions such as induced labor, continuous electronic fetal monitoring, and cesarean birth.
- **Better experiences with community birth with CDM/CPMs. Lower postpartum depression rates** due to being **more satisfied with the personalization of their care, their care environment, quality of their relationship with their midwife, their ability to have a physiologic birth.**

## 2023 MAA (Midwives Association of Alaska) Stats Summary Report

528 Births

11% Transferred out of care during pregnancy due to risk factors

12% Intrapartum Transfer Rate

92% Intrapartum Transfers were NON EMERGENT

2% Neonatal Transfer Rate

0.02% Neonatal Mortality Rate

3% Postpartum Maternal Transfer Rate

0% Maternal Mortality Rate

17% of the mother/baby dyad who enter labor under the care of CDMs transferred from the community setting into the hospital

6% Cesarean Rate

99.6% Breastfeeding Initiation Rate

99% Breastfeeding rate at 6 weeks postpartum

64 Antenatal Transfers

57 Intrapartum Transfers Non-Emergent

5 Intrapartum Transfers Emergent

7 Neonatal Transfers Non-Emergent

5 Neonatal Transfers Emergent

1 Neonatal Death

8 Maternal Postpartum Transfers Non-Emergent

5 Maternal Postpartum Transfers Emergent

0 Maternal Deaths