

**Department of Legislative Services**  
 Maryland General Assembly  
 2020 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 110 (Senator Ellis)  
 Finance

**Maryland Medical Assistance Program - Doulas**

This bill requires Medicaid, subject to the limitations of the State budget and as permitted by federal law, to provide certified doula services, including childbirth education and support services and emotional and physical support during pregnancy, labor, birth, and postpartum. “Certified doula” means an individual who has received a certification to perform doula services from the International Childbirth Education Association, the Doulas of North America, the Association of Labor Assistants and Childbirth Educators, or the Childbirth and Postpartum Professional Association. A certified doula need not be under the supervision of a physician for purposes of the bill.

**Fiscal Summary**

**State Effect:** Medicaid expenditures increase by \$210,700 (59% federal funds, 41% general funds) in FY 2021 to provide Medicaid coverage for certified doula services. Federal fund revenues increase accordingly. To the extent doula services reduce caesarian births and improve birth outcomes, Medicaid expenditures are offset. Future years reflect rate increases, a decline in births, and increased provider participation. **The bill increases the cost of an entitlement program beginning in FY 2021.**

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
FF Revenue	\$124,800	\$398,400	\$399,900	\$401,900	\$403,800
GF Expenditure	\$85,900	\$267,200	\$268,400	\$269,900	\$271,600
FF Expenditure	\$124,800	\$398,400	\$399,900	\$401,900	\$403,800
Net Effect	(\$85,900)	(\$267,200)	(\$268,400)	(\$269,900)	(\$271,600)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** Meaningful.

## Analysis

**Current Law:** Medicaid covers individuals, including pregnant women, with incomes up to 138% of federal poverty guidelines (FPG). Pregnant women with incomes between 138% and 264% FPG may also qualify for Medicaid based on their pregnancy under the “SOBRA” category. Doulas are not licensed or certified in Maryland.

**Background:** According to DONA International, a doula is a trained professional who provides continuous physical, emotional, and informational support to a mother before, during, and shortly after childbirth to help her achieve the healthiest, most satisfying experience possible. Research indicates that support from a doula is associated with lower caesarian births, fewer obstetrical interventions, fewer complications, decreased use of pain medication, shorter labors, and higher scores for newborns on the “APGAR” test.

### *Medicaid Doula Coverage in Other States*

Minnesota and Oregon provide Medicaid coverage of doula services. In Minnesota, doulas must be certified by an approved organization and register with Minnesota’s doula registry. Doulas must practice under the supervision of a physician, nurse practitioner, or certified nurse midwife enrolled as a Minnesota Medicaid provider. The supervising professional bills Minnesota Medicaid for the doula’s services and payment is rendered to the supervising professional’s national provider identifier (NPI). In Oregon, doulas must become a certified and registered traditional health worker and complete an approved training program and a cultural competency course. Once registered, the doula must obtain a unique NPI, enroll as an Oregon Medicaid provider, and become a state-approved Medicaid billing provider.

In 2019, New York began a Medicaid Doula Pilot Program currently limited to Erie County. The state is working to enroll additional providers to expand the pilot to Kings County (Brooklyn). Erie and Kings counties were selected for the pilot, because they have some of the highest maternal and infant mortality rates and the largest number of Medicaid births in New York state. The program covers four prenatal visits, support during labor and delivery, and four postpartum visits. To participate, a doula must be enrolled as a Medicaid provider (including attesting to doula certification and obtaining an NPI) and contract with state managed care organizations. The fee-for-service reimbursement is a maximum of \$600 (\$360 to attend labor and delivery and \$30 for each prenatal and postpartum visit).

Indiana and New Jersey passed legislation relating to doula services in 2019. Indiana’s law permits pregnancy services provided to Medicaid recipients to include reimbursement for doula services. New Jersey’s law expanded Medicaid to include coverage for doula care. Legislation to require Medicaid coverage of doula services has also been introduced in

Arizona, Illinois, Massachusetts, Rhode Island, Texas, Vermont, Washington, Wisconsin, and the District of Columbia, as well as the U.S. House of Representatives.

**State Fiscal Effect:** As doulas are not currently licensed providers in Maryland, they are unable to submit claims to receive *federal* Medicaid reimbursement unless special authorization is obtained. Thus, the Maryland Department of Health (MDH) advises that it must obtain a Medicaid State Plan Amendment (SPA) that defines certified doula services as preventive services in order to obtain federal reimbursement for doula services. As nonlicensed providers, this would require doulas to be certified according to parameters set by the State.

Medicaid expenditures increase by an estimated \$210,712 in fiscal 2021, which accounts for the bill's October 1, 2020 effective date. This estimate reflects the cost of hiring one grade 17 full-time health policy analyst to develop provider qualifications, define scope of practice, and establish requirements to become a certified doula with the State in order to submit an SPA. Assuming approval of the SPA by the end of calendar 2020, the health policy analyst would then implement a statewide doula registry, register certified doulas, and ensure that doulas were enrolled as Medicaid providers. The estimate also reflects the cost of certified doula services to eligible Medicaid enrollees beginning April 1, 2021. It includes a salary, fringe benefits, one-time start-up costs, service costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- MDH submits a Medicaid SPA to allow reimbursement of certified doula services as a preventive service, and the SPA is approved by December 31, 2020.
- MDH establishes a statewide certified doula registry and begins to enroll certified doulas beginning in January 2021.
- Certified doula services become available to Medicaid enrollees by April 1, 2021 (a delay is anticipated to allow sufficient time to enroll providers).
- All pregnant Medicaid beneficiaries are eligible for certified doula services.
- An estimated 24,499 Medicaid births are anticipated in fiscal 2021.
- The birth rate is projected to decline by 2% annually.
- Utilization of services is anticipated to be up to 4% of eligible beneficiaries, limited by the number of certified doulas who choose to participate in Medicaid.

- The fee-for-service rate for doula services is up to \$600 in fiscal 2021 based on rates currently paid by the New York Medicaid Doula Pilot Program (\$360 to attend labor and delivery and \$30 for up to four prenatal and four postpartum visits).
- Rates increases of 2.1% annually are anticipated to account for changes in the Consumer Price Index.
- Certified doula services are eligible for a 63% federal match in fiscal 2021, and a 61% federal match thereafter.
- Medicaid must pay a \$6.95 per provider/per month provider enrollment fee (at a 75% federal match).
- There are approximately 70 certified doulas in Maryland and approximately one-half of them will choose to register with the statewide doula registry and enroll as a Medicaid provider in fiscal 2021, with annual increases in provider enrollment thereafter.

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Salary and Fringe Benefits	\$56,892
Reimbursement for Certified Doula Services	146,994
One-time Start-up Expenses	4,890
Provider Enrollment Costs	1,460
Ongoing Operating Expenses	<u>476</u>
<b>Total FY 2021 State Expenditures</b>	<b>\$210,712</b>

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses, including the assumptions stated above.

To the extent that certified doula services reduce caesarian births and improve birth outcomes, Medicaid expenditures are offset. Any such cost savings cannot be reliably estimated at this time. *For illustrative purposes only*, MDH advises that a caesarian birth costs approximately 50% more than a vaginal delivery, adding roughly \$4,459 in Medicaid payments to the cost of a birth (based on national average costs from 2010).

**Small Business Effect:** Doulas, who are predominately independent practitioners and/or small businesses, benefit from the ability to receive Medicaid reimbursement under the bill. However, doulas typically charge much more than the proposed Medicaid rate for their services.

## **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** DONA International; National Health Law Program; New York State Department of Health; Maryland Department of Health; Department of Legislative Services

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