

January 28, 2013

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Assistant Secretary of Defense for Health Affairs
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Aurora, CO 80011-9066

Dr. Woodson,

We share the mutual goals of providing superior care at a lower cost. I am not a doctor or midwife; I am a former Air Force analyst that now runs Colorado's only birth center. I grew up in the Air Force, graduated from the Air Force Academy and served in the Air Force for almost 10 years, so it is with great regret that the dream that pulled me from the Air Force, to be part of a birth center in Colorado, cannot serve Air Force families. While not for everyone, many military families choose Mountain Midwifery Center (MMC) for our proven ability to achieve superior outcomes (outcome statistics attached) and minimal complications.

After 4 years of trying to resolve our billing difficulties with TriWest and the Regional Office, it is clear to me that no improvements will occur until the TRICARE Billing Manual is updated for Birth Centers in a way that matches the realities of independent Certified Nurse-Midwives (CNMs). MMC is Colorado's only birth center because it is the only State-licensed facility with no on-staff physicians. Hospital bylaws and private malpractice insurers in Colorado require direct supervision of CNMs by physicians. Malpractice insurers also limit physician practice to in-hospital settings. Colorado law and CNM malpractice does not limit CNMs in such a way, so MMC uses CNMs only with no hospital privileges. By State law, CNMs are independent in our scope of practice for gynecological, obstetrical and newborn care. MMC CNMs have prescriptive authority and are credentialed and contracted with most major insurers such as Blue Cross Blue Shield, United Healthcare, Cigna and Aetna. Yet our ability to participate with TRICARE patients is inhibited by the unnecessarily limited TRICARE Billing Manual (henceforth referred to as the "Manual").

In the Manual, when a birth center delivers a newborn in the birth center, the provider can bill Revenue Code 0724 on a CMS 1450 form and get paid a competitive rate. The claim filed and the rate paid cover the global fee for prenatal care, delivery, postpartum care and the facility expenses all in one claim. The rate varies by region, but in many cases it is comparable to private insurance. Unfortunately there are numerous cases when the CNMs at MMC cannot bill for the global maternity code and the facility bundling is lost:

1. The mother-to-be transfers to the center late in her prenatal care. The billing then follows this pattern:
 - a. A claim for prenatal visits only, CPT4 codes 59425 or 59426.
 - b. A claim for delivery and postpartum care, CPT4 59410.
2. The mother-to-be transfers intrapartum (during labor) to hospital care and a hospital-based provider. The billing then follows this pattern:
 - a. A claim for prenatal visits only, CPT4 codes 59425 or 59426.
 - b. A claim for labor observation, CPT4 codes 99214 and 99354, 99355 as needed.These claims are usually denied by TRICARE.

In these cases, the birth center practices are paid provider rates only. The TRICARE Billing Manual has no guidance for these cases. When our centers bill the Revenue Codes associated with these events the claims are universally denied. The provider rates paid are often below Medicaid provider rates and make no attempt to cover facility expenses at all.

To work with birth centers like ours, the TRICARE Billing Manual needs to be updated. Here are some options:

1. Add facility expenses to all CPT4 delivery codes that are appropriate to birth center delivery. In addition to 59400 Normal Vaginal Delivery-Global, please add facility expense pricing to 59409 Normal Vaginal Delivery Only and 59410 Normal Vaginal Delivery and Postpartum Care.

OR

2. Separate the facility expenses from the provider expenses. Allow birth centers to bill 0724 on the CMS-1450 for facility expenses and bill appropriate CPT4 codes on a CMS-1500 for provider expenses.

The latter option is the most popular with private insurers and State programs.

MMC has also reached out to the American Association of Birth Centers (AABC), a national organization that establishes standards for birth centers and advocates for their role in our nation's health care system. The TRICARE Relations Working Group at AABC is surveying birth centers regarding their TRICARE participation experience. Preliminary results show TRICARE's payment plan for birth centers is not understood by the birth center community. I will be sharing this correspondence with this Working Group and I encourage your office to reach out to them as well.

American Association of Birth Centers
3123 Gottschall Road, Perkiomenville, PA 18074
1-866-542-4784

While it is with great regret that MMC is leaving the TRICARE provider network, we are available for policy improvements. As our model of care has an established record of superior maternal and infant outcomes and is done so in a manner that lowers cost, we think it is in TRICARE's best interests to improve the ability of MMC and birth centers like us to work with you. Please ask your office to respond to us through whatever means you see fit, by phone, fax or mail.

All the best,



Joel Ryan
President

Atch: MMC Outcome Statistics

CC: AABC, TRICARE Management Activity/AM&S