

Dear Representative or Senator _____,

I am a (Midwife, Administrator, Staff or Owner) at (Blank) Birth Center and your constituent. We are proud to provide high quality and cost effective care to women and families who are beneficiaries of TRICARE. Birth centers have been approved TRICARE facilities since 1988 and we are pleased to support our active duty spouses and military families.

Not only is birth center care high quality, but it also achieves cost-saving outcomes such as a 6% cesarean rate and preterm and low birth weight rates that are less than half of national rates. The savings to TRICARE from women receiving birth center care means that birth centers should be included and encouraged as a cost saving measure.

I'm writing to request your assistance with a TRICARE policy change regarding payment for birth center services. This change was made without our input or notification and may make it impossible for us to continue to serve military beneficiaries with our services.

The birth center has experienced delays and reductions over the past several months for the birth center facility payments. These amounts were decreased to 50-60% of amounts previously paid.

We searched for an explanation in the updates found in the Reimbursement Manual Chapter 10 Addendum, which lists the rates for the non-professional component (facility) for billing by state. It appears that a DRG payment system is being used for birth centers. There is a DRG calculator that is used now to calculate what the allowable will be for each birth center, using the 775 DRG code, LOS, Discharge status and Wage Index for each area. The DRG calculator and associated schedules are located at: <https://health.mil/Military-Health-Topics/Business-Support/Rates-and-Reimbursement/Diagnosis-Related-Group-Rates>

This change is apparently going into effect without any notification of or discussion with the provider birth centers. The extent of this cut in reimbursement is drastic and will impact our ability to care for women and families covered by TRICARE. With previous levels of payment, we could afford to serve these clients, but with new decreased levels of payment, it will be difficult if not impossible.

We request that you intervene with TRICARE and ask them to return to previous payment calculations for birth center services. Allowing beneficiaries to receive birth center care is a better idea to save TRICARE dollars.

Sincerely,

(Optional additional section for birth centers relying on referrals from Military Facilities)

A second problem is that changing policies within TRICARE now make it very difficult (if not impossible) for beneficiaries who want to go to a birth center rather than the base hospital. We are seeing an increase in the refusal to give referrals to beneficiaries for birth center care. In the

past, active duty beneficiaries have been able to get referrals by changing from TRICARE Prime to Standard. Now they are only able to make this change once per year or when a life changing event occurs—such as AFTER the birth of a child, not for the purpose of seeking prenatal care.

We ask you to intervene with TRICARE and ask them to allow TRICARE beneficiaries to seek maternity care in birth centers if they choose. Women deserve options, in particular when the option is high quality and cost saving.