

**Proposed Rule**  
LSA Document #12-4

DIGEST

Adds [405 IAC 5-16.5](#) for purposes of including freestanding birthing center services as services covered by Medicaid and containing definitions, eligibility requirements, description of covered services, and criteria for both the reimbursement methodology and the rates for freestanding birthing center services. Effective 30 days after filing with the Publisher.

[IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses](#)

[405 IAC 5-16.5](#)

SECTION 1. [405 IAC 5-16.5](#) IS ADDED TO READ AS FOLLOWS:

**Rule 16.5. Freestanding Birthing Center Services**

**[405 IAC 5-16.5-1](#) Definitions**

Authority: [IC 12-8-6-5.5](#); [IC 12-15](#)

Affected: [IC 12-13-7-2](#); [IC 16-18-2-36.5](#); [IC 16-21-2](#); [IC 25-23-1-13.1](#)

Sec. 1. (a) The definitions in this section apply throughout this rule.

(b) "Certified nurse midwife" means a person licensed to practice as a nurse midwife under [IC 25-23-1-13.1](#).

(c) "Freestanding birthing center" means a health facility that is:

- (1) not a hospital licensed under [IC 16-21-2](#);
- (2) where childbirth is planned to occur away from a pregnant woman's residence;
- (3) licensed or otherwise approved by the state to provide prenatal labor and delivery or postpartum care and other ambulatory services; and
- (4) intended for the sole purpose of delivering a normal, uncomplicated, or low-risk pregnancy.

(d) "Freestanding birthing center services" means services furnished to a recipient at a birthing center as defined in [IC 16-18-2-36.5](#) and this rule.

(e) "Low-risk pregnancy" has the meaning set forth in [410 IAC 27-1-15.5](#).

(f) "Office" means the family and social services administration, office of Medicaid policy and planning.

(g) "Recipient" means a Medicaid recipient.

*(Office of the Secretary of Family and Social Services; [405 IAC 5-16.5-1](#))*

**[405 IAC 5-16.5-2](#) Policy; scope**

Authority: [IC 12-8-6-5.5](#); [IC 12-15](#)

Affected: [IC 12-13-7-2](#)

Sec. 2. (a) The purpose of this rule is to establish a reimbursement methodology for services provided

by freestanding birthing centers covered by the Indiana Medicaid program.

(b) A provider's continued participation in the Medicaid program and the receipt of payment for services are contingent on the provider's:

- (1) maintaining state licensure of the birthing center; and
- (2) conforming with:
  - (A) the provider agreement entered into by the provider and the office; and
  - (B) this rule.

(Office of the Secretary of Family and Social Services; [405 IAC 5-16.5-2](#))

#### **[405 IAC 5-16.5-3](#) Reimbursement**

Authority: [IC 12-8-6-5.5](#); [IC 12-15](#)

Affected: [IC 12-13-7-2](#)

Sec. 3. (a) Covered freestanding birthing center services shall be reimbursed in accordance with this section.

- (1) Services, including prenatal labor and delivery, that would otherwise be performed in a hospital setting shall be reimbursed to a freestanding birthing center at a flat rate determined by the office.
- (2) A labor management fee when the patient is transferred to a hospital before the delivery is completed shall be paid to a freestanding birthing center at a flat rate determined by the office.
- (3) The services of physicians and certified nurse midwives shall be reimbursed in accordance with [405 IAC 1-11.5](#).

(b) Medicaid reimbursement is available to a freestanding birthing center for services provided to recipients subject to the limitations in this rule and [410 IAC 27](#).

(Office of the Secretary of Family and Social Services; [405 IAC 5-16.5-3](#))

#### **[405 IAC 5-16.5-4](#) Limitations**

Authority: [IC 12-8-6-5.5](#); [IC 12-15](#)

Affected: [IC 12-13-7-2](#)

Sec. 4. (a) Services provided in a birthing center shall be limited in the following manner:

- (1) A recipient must be considered as having a normal, uncomplicated, or low-risk pregnancy as defined in [410 IAC 27-1-15.5](#).
- (2) A delivery shall be performed by a:
  - (A) certified nurse midwife; or
  - (B) physician.
- (3) Surgical services are limited to episiotomy and episiotomy repair and shall not include operative obstetrics or cesarean sections.
- (4) Labor shall not be inhibited, stimulated, or augmented with chemical agents during the first or second stage of labor.
- (5) Systemic analgesia may be administered. Local anesthesia may be administered for pudendal block and episiotomy repair.
- (6) General and conductive anesthesia shall not be administered at a freestanding birthing center.
- (7) A birthing center shall not routinely keep a recipient in the facility for in excess of twenty-four (24) hours.

(b) Medicaid reimbursement is not available for birthing center facility services if the services provided are such that the services ordinarily could have been provided in a physician's office. If such services are provided at a freestanding birthing center, the services will be reimbursed at the fee or rate allowed for the same service provided in a physician's office.

**(c) Freestanding birthing center services rendered in a recipient's home are noncovered services.**

*(Office of the Secretary of Family and Social Services, [405 IAC 5-16.5-4](#))*

[Notice of Public Hearing](#)

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