

**Final Rule**  
LSA Document #12-4(F)

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, a 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.

**[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](#); filed Nov 19, 2013, 2:11 p.m.: [20131218-IR-405120004FRA](#))*

**[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](#); filed Nov 19, 2013, 2:11 p.m.: [20131218-IR-405120004FRA](#))

#### [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](#); filed Nov 19, 2013, 2:11 p.m.: [20131218-IR-405120004FRA](#))

#### [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](#); filed Nov 19, 2013, 2:11 p.m.: [20131218-IR-405120004FRA](#))

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