

Testimony to Health Care Stabilization Fund Oversight Committee
Midwife Entrepreneur & Birth Center Owners Perspective

October 20, 2015

Dear Chairman and Honorable Members of the Committee:

We are writing to provide the small business owner perspective on the inclusion of Nurse Midwives into the Healthcare Stabilization Fund (HCSF) as of January 1, 2015.

New Birth Company, one of three birth centers currently licensed by KDHE, employs five Certified Nurse Midwives. We have always carried malpractice insurance coverage for the Nurse-Midwives and facility since our opening in September 2011. We entered into the fund after paying a total of \$115,196 for tail coverage plus new premiums. We choose to switch carriers for a more affordable long-term coverage option. We found that while many carriers covered physician or facility employed nurse midwives, ultimately only two carriers and the state plan provided coverage to self-employed nurse midwives.

It was beneficial to our business to have joined the fund and we are pleased with our new carrier.

New Policy Considerations

There is a growing awareness of the positive impact of Nurse-Midwives and Free-Standing Birth Centers worth noting by the oversight committee. The Legislature has hired a consulting company to make budget recommendations to the state of Kansas. This same consulting company made a recommendation to increase the utilization of nurse midwives and birth centers for healthy Medicaid Members in Louisiana in 2014, where it was noted there were regulatory and workforce barriers prevented the full adoption of the recommendation. In contrast, Kansas is well positioned to take advantage of this idea. We note that the entry of Certified Nurse Midwives into the HCSF is well timed to coincide with this recommendation. Having access to competitive malpractice coverage is a strategic advantage for the state of Kansas as compared to neighboring states, especially in Midwifery/Obstetrics where we face a severe shortage of providers.

Considerations for the Oversight Committee & Recommendations to the Legislature

1. Working Group to review non-physician coverage options. We suggest that the committee request the HCSF with the assistance of the Legislative research staff form a sub-committee or working group to understand the actual number of carriers open to non-physician providers. Members may include (carriers, independent agents, the insurance department, & non-physician providers covered under the fund), The result would be a report back to the Oversight committee, the HCSF Board of Governors, Insurance Commissioner or respective policy committees highlighting barriers and opportunities to support a competitive and robust Kansas marketplace for all providers covered by the fund. We note that the passage of full-practice authority for Certified Nurse Midwives (HB 2280) would be consistent with HCSF statute and may give companies the needed statute to provide more options to self-employed nurse-midwives in the future.

2. Inclusion of Licensed Birth Center facilities as a named and covered entity in future HCSF statute changes. KDHE is currently proposing to move Birth Center regulations from their current location of Childcare to under Health Care Facilities. Including birth centers in the HCSF would be consistent with this change in regulations.

New Birth Company is opening a second center in December 2015 to provide services to the underserved in Wyandotte County. Our success is highly dependent on the Kansas malpractice market producing competitive options for self-employed nurse midwives and birth center facilities. We are thankful for being included in the fund at such an important juncture.

We thank the honorable members of the committee for reading our testimony and the opportunity to provide you the perspective of the entrepreneur and small business owner. Please contact us with any questions.

Respectfully submitted,

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