



05/06/25

RE: Urging Inclusion of the Birth Center Reimbursement Increase in the House Health Omnibus

Chair Stephenson, Chair Torkelson, and members of the House Ways and Means Committee,

The Minnesota Chapter of the American Association of Birth Centers (MN-AABC) represents all licensed freestanding birth centers in Minnesota. Our birth centers offer a high-value model of evidence-based care that is equitable, safe, and provides consistently stellar health outcomes for Minnesota families. **We are writing to express our disappointment in not seeing House File 1793 (Clardy) included in the House Health Omnibus bill.**

HF1793 increases reimbursement rates for freestanding birth centers – its Senate companion, SF2109 (Pappas), was heard and passed in the Senate Health and Human Services Committee, and is now included in the Senate Health Omnibus bill (SF2669 Wiklund). It is a crucial opportunity to address the rapidly increasing maternal health crisis in our state and across the country.

Birth centers in Minnesota have been proven to consistently exceed benchmarks for value-based care. Patients in our care have significantly fewer cesarean sections, fewer maternal complications for them and their newborns, a lower NICU admission rate, and higher breastfeeding and patient satisfaction rates. These stellar outcomes not only help our Minnesota families but also result in health care cost savings for our state.

But birth centers face significant challenges related to reimbursement that directly affects our ability to offer competitive wages, retain skilled staff, and pay for our supplies and overhead costs. **Two Minnesota birth centers have shut down in the past year alone**, driven by financial stress as a result of under reimbursement, and several more providers are weighing closure. Birth centers are being reimbursed 30% less than hospitals, while still being required to maintain the same equipment and levels of training. Our unique model of care delivers better outcomes, but also results in some unique and unintended gaps in reimbursement for some services, which we have worked with DHS to correct in this bill.

As maternity deserts continue to expand in Minnesota, **we believe freestanding birth centers can be a solution – but we cannot continue this essential work without adequate reimbursement and meaningful support from the state.** This is a pivotal moment, and we must get it right. We cannot build a strong maternal health system and leave this critical piece of the puzzle out.

We strongly urge you to find a way to increase the birth center reimbursement rates as the omnibus process continues – our mothers and babies are depending on it. Thank you.

Amy Johnson-Grass, ND, LM, LN, CPM

President | Minnesota Chapter of the American Association of Birth Centers