



## Maternity Care Payment Strategies *Catalyst for Payment Reform*

Costs associated with pregnancy and its complications are a driving factor in the rising costs of health care. Cesarean deliveries, elective labor inductions and scheduled deliveries before 39 weeks are also the rise. The growing use of medically unnecessary interventions is increasing costs and the incidence of complications among mothers and babies, with no evidence of improved outcomes.

Catalyst for Payment Reform (CPR) is an independent organization led by health care purchasers, with active involvement of providers, health plans, consumers and labor groups working to improve quality and reduce costs by identifying and coordinating workable solutions to improve how we pay for health care in the U.S.

CPR has created a suite of tools for purchaser to use payment as a lever to increase the alignment of maternity care to the evidence base. In addition to an educational Action Brief to inform health care purchasers and payers on what they can do promote maternity care payment reform, CPR has health plan RFI (request for information) questions and model health plan contract language to leverage health plans to change their maternity care payment methods. The RFI coordinates purchasers' sourcing questions to highlight the need to reduce unnecessary interventions, including elective deliveries prior to 39 weeks. The contract language mirrors the RFI and outlines purchasers' expectations for reforms to maternity care payment. CPR has also organized quarterly health plan user group discussions with four national health plans that include maternity care payment reform as a key topic.

### Lessons Learned

**It is challenging for purchasers to focus on the topic of maternity care, which they know is of great interest and importance to their employees and dependents.**

**The intention of the initiative is to use payment to improve both the quality and affordability of maternity care, but purchasers know this could be misconstrued by consumers.**

**We overcame this hurdle because the strength of evidence about the harm caused by unnecessary intervention in maternity care was very persuasive to purchasers and they felt it would be possible to convey this to consumers.**



The health care purchasers working with CPR selected maternity care payment reform to be part of their shared agenda for payment reform and continue to remain focused on progress in this area. CPR has received particular interest from Medicaid purchasers on this topic. Health plans vary in their emphasis in using payment as a lever to improve the delivery of maternity care. Some are focused on patient and provider education, while others are on an aggressive path to remove the perverse incentives in today's approach to paying for maternity care.

In June 2012, CPR is releasing a new study on the cost of labor and delivery in conjunction with Childbirth Connections, The Center for Healthcare Quality and Payment Reform, and Thompson Reuters. The study will highlight the payment differential between vaginal and cesarean deliveries as well as the cost implications of pre-term births.

## Contact

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