

Reimbursement Policy

Birthing Center Services

REIMBURSEMENT POLICY NUMBER: 2

Effective Date: 2/1/2026
Last Review Date: 1/2026
Next Annual Review: 1/2027

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INSTRUCTIONS FOR USE: Company reimbursement policies serve as guidance for the administration of plan benefits, reimbursement methodologies, and acceptable billing practices, intended to help health care providers submit claims accurately in order to reduce delays and ensure more accurate claim adjudication. Reimbursement policies do not constitute a guarantee of coverage. They allow for the consistent application of our member contracts, provider contracts, clinical edits, and medical policies. In the event of a conflict between one of these documents and a reimbursement policy, these documents will take precedent over the reimbursement policy. If contracts and policies are silent, the Company may defer to guidance from the Centers for Medicare & Medicaid Services (CMS) when available and applicable. In addition to correct billing practices, in order to qualify for reimbursement, all services, items, and procedures must be covered member benefits and must also meet applicable authorization and medical necessity guidelines. Company reimbursement policies are reviewed annually. The Companies reserve the right to determine the application of reimbursement policies and make revisions to reimbursement policies at any time.

SCOPE AND APPLICATION

Provider Type:

- Professional Claims
- All health care services billed on CMS 1500 forms
- All health care services billed on CMS 1500 forms, and when specified to those billed on UB04 forms
- Birthing Center Facilities
- All health care services billed on UB04 forms (CMS 1450)

Plan Product:

- Commercial
- Medicare
- Medicaid/Oregon
- Health Plan (OHP)

SCOPE: Providence Health Plan, Providence Health Assurance, and Providence Plan Partners as applicable (referred to individually as "Company" and collectively as "Companies").

POLICY STATEMENT

- I. Services provided at a birthing center are reimbursed on a **global basis**.
- II. The Oregon Health Authority (OHA) defines a birthing center as any health care facility (HCF), licensed for the primary purpose of performing low risk deliveries that is not a hospital, or in a hospital, and where births are planned to occur away from the mother's usual residence following normal, uncomplicated pregnancy.:
- III. Birthing center facilities located in Oregon must be licensed by the State of Oregon Health Division. Facilities not located in Oregon must hold licensure appropriate to their state accreditation requirements.
- IV. Services performed by a student are not separately reimbursable. Students must be supervised by an appropriately licensed clinician.

POLICY GUIDELINES

DEFINITIONS

The Oregon Health Authority (OHA) provides the following definitions:¹

"Free Standing Birth Center" ("Birthing Center" or "Center") means any health care facility (HCF), licensed for the primary purpose of performing low risk deliveries that is not a hospital, or in a hospital, and where births are planned to occur away from the mother's usual residence following normal, uncomplicated pregnancy.

"Low Risk Pregnancy" means a normal, uncomplicated prenatal course as determined by documentation of adequate prenatal care, and anticipation of a normal uncomplicated labor and birth, as defined by reasonable and generally accepted criteria of maternal and fetal health.

"Absolute risk factors" are those conditions that, if present, prohibit care in a birthing center.

"Reasonable and generally accepted criteria" means criteria or standards of care adopted by professional groups for maternal, fetal and neonatal health care, and generally accepted and followed by the care providers to whom they apply, and accepted by the Division as reasonable.

BACKGROUND

This policy is largely based on Oregon Health Authority (OHA) resources, combined with input by Providence Health Plan Medical Directors.

Services Included in the Global Rate

Unless stated otherwise in the provider's contract, payment will be made at an all-inclusive (global) rate for all maternity care and childbirth services furnished by an authorized birthing center. The all-inclusive rate shall include the following for both the mother and the newborn(s) associated with low-risk pregnancy and childbirth:

- Nursing services, services of technical personnel, and other related;
- Any support services provided by personnel employed by the birthing center facility;
- The client's use of the birthing center facilities including the operating room and recovery room;
- Drugs, biologicals, surgical dressings, supplies, splints, casts, appliances, and equipment related to the provision of the procedure(s);
- Diagnostic or therapeutic items and services related to the procedure;
- Administrative, record-keeping, and housekeeping items and services;
- Blood, blood plasma, platelets, other laboratory studies;
- Materials for anesthesia;
- Prenatal management;
- Labor management;
- Delivery;
- Postpartum management.

Services Not Included in the Global Rate

The following services are **not** included in the global rate and may be billed separately when provided:

- Professional fees for initial complete newborn examination by a licensed professional within their scope of practice (including but not limited to, family medicine, naturopathic physicians, Certified Nurse Midwives [CNMs] and Licensed Direct Entry Midwives [LDEMs]).
- Practitioner services such as those performed by physicians, licensed physician assistants, nurse practitioners, certified registered nurse anesthetists, naturopathic physicians, and LDEMs;
- The sale, lease, or rental of durable medical equipment (DME) to birthing center clients for use in their homes;
- Prosthetic and orthotic devices;
- Ambulance services;
- Leg, arm, back and neck brace, or other orthopedic appliances;
- Artificial legs, arms, and eyes;
- Services furnished by a certified independent laboratory.

Birthing centers will not be reimbursed for services that are normally provided in a physician's office.

Student Midwife Services

A student midwife may act as a scribe for a midwife. A scribe is a person who takes notes for the provider of service. The notes are dictated by the provider of service. The scribe needs to fully sign the

note, including his or her credentials. The scribe's signature must be followed by the midwife's signature and credentials. For medical students, payment for their services is made to the attending physician who must be present for the entirety of the procedure. The student is not separately reimbursable. Therefore, the Company will not pay for any services performed by a student, including a student midwife.

CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS)

For Medicare, birthing centers are a provider type which are **not** eligible to enroll in the Medicare program.⁴

Therefore, for the purposes of this policy, other resources are used in the development of this policy. As of 12/5/2025, the following guidance was identified which addresses birthing centers:

- Oregon Health Authority. "Ambulatory Surgical Center and Birthing Center Services." *Medical-Surgical Services Administrative Rulebook*, Chapter 410, Division 130. 410-130-0365.
- Oregon Health Authority, Health Systems Division: Medical Assistance Programs - Chapter 410, Division 130, MEDICAL-SURGICAL SERVICES
- DHS Oregon Department of Human Services: Medical Surgical Services Rulebook
- Medicare Program Integrity Manual, Chapter 10 – Medicare Enrollment, §10.2.8 - Providers/Suppliers Not Eligible to Enroll

BILLING AND CODING GUIDELINES

GENERAL

Unless stated otherwise in the provider's contract, claims from birthing centers will be processed as outpatient hospital claims using the following CPT codes. Use revenue code 724 if billed on a UB-04 or place of service "25" if billed on a CMS-1500.

Procedure coding for Birthing Centers

Bill code 59409 only once for a single vaginal delivery regardless of the total days that the client was in the facility for labor management, delivery and immediate postpartum care.

For delivery of twins, bill the delivery of the first twin with CPT 59409 and bill the delivery of the second twin with CPT 59409 on a separate line.⁵

Testing Services

Both the technical and professional components of usual tests are included in the all-inclusive rate.

Transfer to Another Facility for the Delivery

S-codes codes are not recognized as valid codes for claim submission by the Company, as indicated in the relevant Company Coding Policy (*HCPCS S-Codes and H-Codes*, 22.0). Providers need to use alternate available CPT or HCPCS codes to report for the service. If no specific CPT or HCPCS code is available, then an unlisted code may be used. Therefore, when labor is managed in the birthing center but a delivery does not result, bill services with CPT code 59899 and attach a report documenting the circumstances.

CROSS REFERENCES

None

The full Company portfolio of current Reimbursement Policies is available online and can be [accessed here](#).

REFERENCES

1. Oregon Health Authority, Public Health Division – Chapter 333, Division 76, AMBULATORY SURGICAL CENTERS (ASC) AND EXTENDED STAY CENTERS (ESC).
<https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=1285>.
2. DHS Oregon Department of Human Services: Medical Surgical Services Rulebook
3. Providence Health Plan Medical Directors
4. Medicare Program Integrity Manual, Chapter 10 – Medicare Enrollment, §10.2.8 - Providers/Suppliers Not Eligible to Enroll. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/pim83c10.pdf>.
5. Oregon Health Authority, Health Systems Division: Medical Assistance Programs - Chapter 410, Division 130, MEDICAL-SURGICAL SERVICES.
<https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=1718>.

POLICY REVISION HISTORY

Date	Revision Summary
6/2023	New reimbursement policy (previously Coding Policy 84.0, <i>Birthing Center Services</i>)
6/2024	Annual review, no change
4/2025	Annual review, no change
2/2026	Annual review, no change