



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

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S.109 – An act relating to Medicaid coverage for doula services

As recommended by the Senate Committee on Health and Welfare, Draft 2.2

Bill Summary

The bill proposes to require Medicaid coverage for doula services during pregnancy, labor and delivery, and the postpartum period, regardless of the outcome of the pregnancy. The bill would take effect on July 1, 2025, or upon approval of a state plan amendment, whichever is later. The fiscal impacts in fiscal year 2025 and beyond would depend on the reimbursement rate and the level of utilization. There would also be some costs to the Office of Professional Regulation (OPR) to undertake a “sunrise review” and for setting up to regulate a new profession.

Background and Details

A doula is a trained professional who provides nonmedical emotional, physical, and educational support to pregnant women and their families before, during, and immediately after childbirth. Studies have shown the use of doulas appears to be an effective strategy for improving maternal health, especially among socioeconomically vulnerable and marginalized minority populations.¹ Doulas have been found to reduce the frequency of cesareans sections, low birth weight, and premature labor. Doula intervention has also been correlated with a decrease in epidural use during delivery, increased rates of breastfeeding, and the use of safety precautions for the child.² There are estimated to be 70 to 100 doulas practicing in the State of Vermont.

At least 13 states and the District of Columbia currently provide Medicaid coverage for doula services.³ However, utilization of doulas by Medicaid beneficiaries appears to be low despite apparent demand. A 2023 case study of five states found that factors contributing to low utilization among Medicaid beneficiaries include lack of awareness of the benefit and workforce issues.

¹ Falconi, A., Bromfield, S., Tang, T., Malloy D., Blanco, D., Disciglio, S., et. al. “Doula Care Across the Maternity Care Continuum and Impact on Maternal Health: Evaluation of Doula Programs Across Three States Using Propensity Score Matching.” July 2022. *eClinicalMedicine*. July 2022; 50: 101531. Available from: [https://www.thelancet.com/journals/eclinm/article/PIIS2589-5370\(22\)00261-9/fulltext](https://www.thelancet.com/journals/eclinm/article/PIIS2589-5370(22)00261-9/fulltext)

² Sobczak, A., Taylor, L., Solomon, S., Ho, J., Kemper, S., et al. The Effect of Doulas on Maternal and Birth Outcomes: A Scoping Review. *Cureus*. May 2023; 15(5): e39451. Available from: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10292163/>

³ As of January 2024. Doula Medicaid Project. National Health Law Program. Available from: <https://healthlaw.org/doulamedicaidproject/>

Low reimbursement rates, the ease of enrolling as a Medicaid provider, billing codes that don’t fully reflect scope of work, and the administrative burdens of getting paid may all affect doula participation as a Medicaid provider.⁴ Further, to qualify for Medicaid reimbursement, doula services must be recommended by a physician or other licensed medical practitioner acting within the scope of their practice under state law.

Sec. 1 – Medicaid Coverage for Doulas

Sec. 1 would require the Department of Vermont Health Access (DVHA) to provide reimbursement to a qualified doula for providing childbirth education and support services, including physical and emotional support, to an individual covered by Medicaid during pregnancy, labor and delivery, and the postpartum period, effective July 1, 2025 or upon approval of a state plan amendment, whichever is later.

From 2021 to 2022, DVHA paid for 2,137 births per year. The fiscal impacts in fiscal year 2025 and beyond will depend on the reimbursement rate set by DVHA as well as the the level of utilization. Data on the utilization of doulas appear to be scarce. Most recent studies still cite a 2013 study that claimed only 6% of U.S. births involved doula services. Take-up will likely be low in the early years of the program as it rolls out. Beneficiary awareness and availability of and access to doulas participating in the Medicaid program will drive both the costs of the program and any potential savings or offsets down the road. While studies have shown that doula services during pregnancy, birth, and postpartum are an effective strategy in improving maternal and infant health outcomes, we are unable to calculate potential cost savings or offsets at this time.

The chart below provides an estimated range for costs to Medicaid in the first year of the program.

Est. Cost of Doula Services in Medicaid, Year 1

Est. Reimbursement Rate (Range)	Low Estimate		High Estimate	
	3% Service Utilization ¹		6% Service Utilization ¹	
	Gross	State ²	Gross	State ²
\$1,000	\$64,110	\$27,035	\$128,220	\$54,070
\$1,500	\$96,165	\$40,553	\$192,330	\$81,106
\$2,000	\$128,220	\$54,070	\$256,440	\$108,141

¹ The percentage of women with pregnancies resulting in births that use doula services

² FMAPs for FY 2025 and beyond are unknown. Estimate assumes FY 2025 FMAP of 42.17% for demonstration purposes

Sec. 2 – Office of Professional Regulation

Sec. 2 would require the OPR, in consultation with stakeholders, to undertake a “sunrise review” to determine the appropriate form of regulation for the profession and report the results, on or before January 8, 2025, to legislative committees of jurisdiction. The review would include a recommendation regarding whether it’s best to regulate doulas through a registration, certification, or licensure process and a proposal for legislative action to establish that process.⁵ According to OPR, it will cost \$15,000 in fiscal year 2025 to conduct the review. It will cost \$25,000, likely in fiscal year 2026, to set up a regulatory structure for a new profession.

Fiscal Impact

In fiscal year 2025, there would be costs to OPR to conduct a “sunrise review.” While there is no appropriation in the bill, OPR estimates this would cost \$15,000 to conduct.

⁴ *Doulas in Medicaid: Case Study Findings*. Medicaid and CHIP Payment and Access Commission (MACPAC). Issue Brief, November 2023. Available from: <https://www.macpac.gov/wp-content/uploads/2023/11/Doulas-in-Medicaid-Case-Study-Findings.pdf>

⁵ 26 V.S.A. chapter 57

In fiscal year 2026, the fiscal impact to DVHA could range from \$27,000 to \$108,000 in state dollars depending on the reimbursement rate established by DVHA, utilization of the service by Medicaid beneficiaries, and the FMAP rate for fiscal year 2026 (which won't be known until sometime in mid to late fiscal year 2025).⁶ There would also be costs to OPR to meet the needs of setting up the structure to regulate a new profession, estimated at \$25,000 (for staff time, technology costs, outreach to the community, and costs associated with rulemaking).

⁶ Federal Medical Assistance Percentage (FMAP) is the share of state Medicaid benefit costs paid by the federal government. The FMAP split for fiscal year fiscal year fiscal year fiscal year 2025 will be 57.83% federal, 42.17% state.