

April 2, 2025

RE: S.18 An act relating to licensure of freestanding birthing centers

Members of the House Health Care Committee,

Blue Cross and Blue Shield of Vermont is supportive of allowing freestanding birthing centers in Vermont. We currently contract with two freestanding birthing centers in New Hampshire and some of our members choose these locations for services. In the past year, 7 of our members had home births, 8 chose birthing centers (3 with our in-network facilities and 5 elsewhere), while 1,115 births were in hospitals.

Our concerns with the bill are in Section 2 regarding health insurance coverage for these services that includes mandatory contracting and payment of birth center “facility fees.” Only Medicare pays facility fees. Commercial health insurance plans pay charges for services at facilities. This additionally appears to mix coverage and benefits requirements with contracting requirements for VT licensed birthing centers, issues that we believe should be separate.

Blue Cross and Blue Shield of Vermont is proud of the broad network of services, providers, and locations to our members for comprehensive access to care that differentiates our health insurance plans.

While we are not aware of other requirements in statute that require payments to facilities licensed in the state such as hospitals, ambulatory surgical centers, urgent care centers, or provider practices, and would prefer this not be included. There is some language allowing health insurers to require contracts for coverage that appear to address this issue:

(2) for medically necessary prenatal, maternity, postpartum, and newborn services provided at a birth center licensed pursuant to 18 V.S.A. chapter 53, including birth center facility fees. A health insurance plan may require that the services provided at a licensed freestanding birthing center be under contract with the insurer or shall be covered in a manner consistent with out-of-network reimbursement practices for freestanding birthing centers.

Thank you for considering our concerns,

Sara Teachout
Corporate Director, Government, Public and Media Relations