

## Freestanding And Hospital-Based Birthing Center Reimbursement

Issue Date: February 14, 1984

Authority: [32 CFR 199.6\(b\)\(4\)\(xi\)\(A\)\(3\)](#) and [32 CFR 199.14\(e\)](#)

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### 1.0 APPLICABILITY

This policy is mandatory for reimbursement of services provided by either network or non-network providers. However, alternative network reimbursement methodologies are permitted when approved by the TRICARE Management Activity (TMA) and specifically included in the network provider agreement.

### 2.0 DESCRIPTION

A birthing center is a freestanding or institution affiliated outpatient maternity care program which principally provides a planned course of outpatient prenatal care and outpatient childbirth service limited to low-risk pregnancies; excludes care for high-risk pregnancies; limits childbirth to the use of natural childbirth procedures; and provides immediate newborn care.

### 3.0 POLICY

**3.1** A freestanding or institution affiliated birthing center may be considered for status as an authorized institutional provider.

**3.2** Reimbursement for all-inclusive maternity care and childbirth services furnished by an authorized birthing center shall be limited to the lower of the TRICARE established all-inclusive rate or the billed charge.

**3.3** The all-inclusive rate shall include the following to the extent that they are usually associated with a normal pregnancy and childbirth: laboratory studies, prenatal management, labor management, delivery, postpartum management, newborn care, birth assistant, certified nurse-midwife professional services, physician professional services, and the use of the facility. The rate includes physician services for routine consultation when certified nurse-midwife is the attending professional.

**Note:** The initial complete newborn examination by a pediatrician is not included in the birthing center all-inclusive fee and is to be cost-shared as a part of the maternity episode when performed within 72 hours of the delivery.

**3.4** Claims for professional services and tests where the beneficiary has been screened but rejected for admission into the program, or where the woman has been admitted but is discharged

**TRICARE Reimbursement Manual 6010.58-M, February 1, 2008**

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from the birthing center program prior to delivery, should be priced as individual services and items, subject to current policies for obstetrical care professional services and reported as appropriate CPT<sup>1</sup> procedure code with place of service "25" for birthing center.

**3.5** Extraordinary maternity care services (services in excess of the quantity or type usually associated with all-inclusive maternity care and childbirth service for a normal pregnancy) may be cost-shared as part of the birthing center maternity episode and paid as the lesser of the billed charge or the allowable charge when the service is determined to be otherwise authorized and medically necessary and appropriate.

**3.6** Calculation of the TRICARE maximum allowable birthing center all-inclusive rate.

**3.6.1** The TRICARE maximum allowable all-inclusive rate is equal to the sum of the Class 3 CHAMPUS Maximum Allowable Charge (CMAC) for total obstetrical care for a normal pregnancy and delivery (CPT<sup>1</sup> procedure code 59400) plus the TMA supplied non professional price component amount. TMA will supply each contractor with non professional price components for each state annually to be effective for the forthcoming rate year (see [Addendum A](#)).

**3.6.2** The maximum allowable all-inclusive rate shall be updated on April 1st each year to coincide with the Outpatient Prospective Payment System (OPPS) quarterly update.

**3.7** Claims processing.

**3.7.1** The cost-share amount for birthing center claims is calculated using the ambulatory surgery cost-share formula.

**3.7.2** Claims from birthing centers will be processed as outpatient hospital claims using revenue code 724 and the following CPT<sup>1</sup> procedure code with place of service "25" for birthing center.

59400 *Birthing Center, all-inclusive charge, complete*

**Note:** Claims for birthing centers must be submitted on a Centers for Medicare and Medicaid Services (CMS) 1450 UB-04 claim form. Claims not submitted on the appropriate claim form will be denied.

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

**3.8** Excluded services<sup>1</sup> when billed separately.

99071 *Patient education materials*

99078 *Group health education*

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