

04/25/25



**RE: Inclusion of the Birth Center Reimbursement Increase in the Senate Health Omnibus**

Chair Marty and Members of the Senate Finance Committee:

The Minnesota Chapter of the American Association of Birth Centers (MN-AABC) represents all licensed freestanding birth centers in Minnesota. Our birth centers offer a high-value model of evidence-based care that is equitable, safe, and provides consistently stellar health outcomes for Minnesota families. **We are writing to express our strong support for the inclusion of SF2109 (Pappas) in the Senate Health Omnibus**, a bill that provides sustainable reimbursement for freestanding birth centers.

Birth centers consistently exceed benchmarks for maternity care. Patients in our care have significantly fewer cesarean sections, fewer maternal complications, fewer preterm births, a lower NICU admission rate, and higher breastfeeding and patient satisfaction rates. These stellar outcomes are not only essential for families, but also result in health care cost savings for our state.

Despite stellar outcomes, reimbursement for birth centers remains at a significantly discounted percentage compared to other facilities, and this has not changed since birth centers' licensure in 2010. Birth centers continue to experience reimbursement challenges from insurers, government programs, and other payers. Two birth centers shut down in the past year alone, mainly due to financial stress as a result of under reimbursement. At the current rate of reimbursement and due to rising costs, **several birth centers report they will likely close within two years if this proposal is not enacted — we are at the breaking point, and we need your help now.**

The United States and Minnesota are experiencing a maternal health crisis and rising levels of maternal mortality and morbidity. As hospitals close labor and delivery units and maternity care deserts continue to expand in Minnesota, freestanding birth centers can be a solution. Several healthcare professionals are poised to open up new birth centers in the Metro and in Greater Minnesota. However, we cannot continue this essential work without adequate reimbursement and meaningful support from the state. This is a pivotal moment, and we must get it right.

**On behalf of all licensed freestanding birth centers in Minnesota, we urge your strong support of the inclusion of SF2109 – this bill is needed for Minnesota, for its healthcare providers, and for its families.**

Thank you.

**Twin Cities Birth Center**, Grand Ave, St Paul MN

**Roots Community Birth Center**, 44th Ave, Minneapolis MN

**Minnesota Birth Center**, Chicago Ave, Minneapolis MN | Smith Ave S, St Paul MN

**Willow Midwife and Birth Center**, Excelsior Blvd, Minneapolis MN

**New Birth Wellness Center**, White Oak Dr, Chaska, MN