

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FOURTH SESSION**

**S.F. No. 2109**

**(SENATE AUTHORS: PAPPAS, Abeler, Mann and Port)**

DATE  
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D-PG

## 618 Introduction and first reading P. 618-619, H. 111-112

## OFFICIAL STATUS

## 1.1 A bill for an act

1.2 relating to human services; modifying reimbursement rates for services provided  
1.3 by birth centers in the medical assistance program; amending Minnesota Statutes  
1.4 2024, section 256B.0625, subdivision 54.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 256B.0625, subdivision 54, is amended to  
1.7 read:

1.8        **Subd. 54. Services provided in birth centers.** (a) Medical assistance covers services  
1.9        provided in a licensed birth center by a licensed health professional if the service would  
1.10      otherwise be covered if provided in a hospital.

1.11 (b) Facility services provided by a birth center shall be paid at the lower of billed charges  
1.12 or 70 percent of the statewide average for a facility payment rate made to a hospital for an  
1.13 uncomplicated vaginal birth as determined using the most recent calendar year for which  
1.14 complete claims data is available. If a recipient is transported from a birth center to a hospital  
1.15 prior to the delivery, the payment for facility services to the birth center shall be the lower  
1.16 of billed charges or 15 percent of the average facility payment made to a hospital for the  
1.17 services provided for an uncomplicated vaginal delivery as determined using the most recent  
1.18 calendar year for which complete claims data is available. This paragraph expires on the  
1.19 effective date of paragraph (c).

1.20 (c) Effective January 1, 2027, or upon federal approval, whichever is later, facility  
1.21 services provided by a birth center shall be paid at the lower of billed charges or 100 percent  
1.22 of the hospital facility fee cost trended to current for an uncomplicated vaginal birth as  
1.23 determined using the most recent calendar year for which complete claims data is available.

2.1 If a recipient is transported from a birth center to a hospital prior to the delivery, the payment  
2.2 for facility services to the birth center shall be the lower of billed charges or 100 percent of  
2.3 the hospital facility fee cost trended to current for an uncomplicated vaginal delivery as  
2.4 determined using the most recent calendar year for which complete claims data is available.

2.5 (e) (d) Nursery care services provided by a birth center shall be paid the lower of billed  
2.6 charges or 70 percent of the statewide average for a payment rate paid to a hospital for  
2.7 nursery care as determined by using the most recent calendar year for which complete claims  
2.8 data is available. This paragraph expires on the effective date of paragraph (e).

2.9 (e) Effective January 1, 2027, or upon federal approval, whichever is later, facility  
2.10 services provided to a newborn by a birth center shall be paid the lower of billed charges  
2.11 or 100 percent of the average room and board cost for a hospital stay.

2.12 (d) (f) Professional services provided by traditional midwives licensed under chapter  
2.13 147D shall be paid at the lower of billed charges or 100 percent of the rate paid to a physician  
2.14 performing the same services. If a recipient is transported from a birth center to a hospital  
2.15 prior to the delivery, a licensed traditional midwife who does not perform the delivery may  
2.16 not bill for any delivery services. Services are not covered if provided by an unlicensed  
2.17 traditional midwife.

2.18 (g) Effective January 1, 2027, or upon federal approval, whichever is later, birth center  
2.19 providers must be reimbursed for the full range of maternity care services within their scope  
2.20 of practice, regardless of place of service. The commissioner must review current birth  
2.21 center reimbursements and, in consultation with birth centers currently licensed in the state,  
2.22 develop revisions to current payment practices in order to ensure reimbursement for  
2.23 comprehensive maternal health services.

2.24 (e) (h) The commissioner shall apply for any necessary waivers from the Centers for  
2.25 Medicare and Medicaid Services to allow birth centers and birth center providers to be  
2.26 reimbursed.