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What to Expect (Financially) When You're Expecting (A Birth Center Birth)

Congratulations on your decision to have an out-of-hospital birth! We want to make sure you are fully aware of what to expect with your billing and estimated out-of-pocket costs so you can enjoy it as much as possible.

We hope these FAQs will answer most of the financial questions that come up before or after your birth, and more importantly, that they help you make the best financial decisions for your family.

Frequently Asked Questions

Q: Why do I need to pay in advance for my estimated out-of-pocket costs?

A: Many providers, particularly specialists, pre-collect anticipated deductibles on large dollar items, such as your birth. This helps protect the practice from patients not paying their balances after they receive services, which could be detrimental to the survival of a birth center.

Q: Why is my out-of-pocket cost so different for this birth than it was for previous births?

A: Your out-of-pocket cost is based on your benefits and the birth center's current contracted rates with your insurance.

- Your benefits may have changed; for example, your deductible may have gone up.
- The birth center may have renegotiated their contract with your insurance and have a higher rate now.
- You may have a different insurance with whom the birth center has a different contracted rate.
- We may be able to bill for more things under your current plan; for example, a circumcision facility fee for baby could be applicable with Cigna but not allowed by United Healthcare.

Q: Why do I have a bill when I paid the full estimated amount?

A: Your estimated out-of-pocket cost is only an estimate of coverage and not a guarantee. Your insurance decides your out-of-pocket responsibility, and not everyone who has maternity care with us gets all the exact same services, so we can only provide our best educated guess at what services we will end up billing for you and how your insurance will process them. Some things that can affect this are:

- A change to your plan or insurance coverage after we provide your estimate.
- Your birth outcome—this changes how we bill for your birth.
- Additional services that you want or need that not everyone gets; for example, RhoGAM injections.
- If you are on an individual plan and must change to a family plan to add you baby, this can substantially increase your deductible over what we were quoted while you were pregnant.

Q: Why *are* you billing a claim under my baby; *I'm* the patient, right?

A: Once your baby is born, they become their own patient. We bill for care for baby separately from your care because, in most cases, the birth center's contracts do not include initial newborn care as part of the "global maternity package" or the newborn facility fee as part of your facility fee. You can expect that we will bill claims for your baby once they are earthside.

Q: Why are you estimating that I owe my full deductible when I've met some of my deductible already?

A: This is most likely because your due date is next year. Most of your services (your standard prenatal care, labor/delivery care, and standard postpartum visits) are all bundled together under one service called "global maternity care," and the date of service for your global maternity care is the date that your baby is born. So almost everything we bill for your care is going to process based on your deductible remaining *at the time of birth*. Because most deductibles reset to the full amount when a new year starts, we assume your care is going to be subject to your full new year deductible if you are due in the new year.

Q: My insurance advised me that the baby is covered under me until discharge—why was my baby's claim subject to their own deductible?

A: This rule is known as the 48/96-hour rule and is only applicable to *inpatient* hospital stays. In a birth center (which is an *outpatient* facility), you are typically admitted and discharged on the same day. For a home birth, admit and discharge are not applicable.

- *What can you do?* Call Member Services and inquire if your insurance has the 48/96-hour rule. Ask for a call reference number from Member Services stating they would cover your baby under you. If they do not honor this after billing, you can call back with your call reference number to dispute and request they reprocess the claim.
- *Please note*: there is nothing we as the billing team can do to make this happen due to the unique way birth centers are contracted with insurance companies and because the birth center is an outpatient-only facility. On this issue, your insurance will only budge if you advocate for yourself.

Q: What if I change insurance during my pregnancy?

A: If your insurance changes during care, it is crucial that you notify the birth center immediately to avoid unexpected out-of-pocket costs. We are subject to strict insurance filing limits and in some cases must get our claims filed within 60 days or insurance won't pay. We will need to do a special type of billing that allows us to bill your prior insurance for the care you had while it was active and bill your new insurance for future care.

- More importantly for you, the birth center must make sure they accept your new insurance.
- Then, we can revisit your estimated out-of-pocket cost based on your new insurance. You could owe less! You could also owe more; it really depends on your benefits under the new plan and the birth center's network status (in network vs. out of network).
- Finally, we must ensure that we obtain any required prior authorizations (your insurance acknowledging ahead of time that they will cover your birth at the birth center), which we will not be able to do if we find out after the fact that your insurance terminated.
- Often, we find out the hard way that a patient switched insurance—we bill claims to their old insurance and get a denial. If this occurs, you could be subject to much more out-of-pocket cost than expected because it could be too late to bill your new insurance.

Q: Am I supposed to let the birth center know if I have a second or third insurance I'm covered on?

A: Yes! Please inform the birth center if you have secondary or tertiary coverage; for example, if you have your own insurance policy through your job but you are also covered on your spouse's policy through their job. This could reduce your overall out-of-pocket costs.

Q: What if I pay my whole deductible to the birth center in advance but then I meet my deductible with other medical services before I give birth?

A: Since we are generating your out-of-pocket cost letter based on your benefits at the time of our call, it is possible the birth center may collect on deductible that you end up meeting through other medical providers along the way. Once your insurance processes all your claims for care with the birth center, there will likely be a credit on your account, which the birth center will issue as a refund to you.

- If you are receiving bills from other practices that you cannot pay due to the birth center having all your deductible amount, please reach out to them for assistance. Sometimes the birth center can make partial refunds if we can confirm this on our end and *if* it's a large amount.

Q: Why is it so important to add my baby to insurance right away and notify the birth center of it?

A: If you do not add your baby to insurance in a timely manner, the insurance may not cover your claims for the birth center's services. This means you could become responsible for the full amount of your newborn fees rather than your insurance paying part or all of them, and you would receive a large newborn fees bill from us that is well above what we estimated you would owe. Even if your insurance covers the baby for 30 days, it's vital that you add them for continued coverage and, in some cases, necessary for that 30-day coverage to kick in.

Q: What happens with my billing and my prepaid out of pocket if I have to transfer in labor to the hospital? Will I have claims with both places?

A: If you transfer to the hospital in labor, we will still bill for the care you *did* receive with the birth center, such as your prenatal care and potentially "labor management" for the time you labored at the birth center.

- Similar to if you change insurance during pregnancy, when you transfer during labor (or even transfer to another provider during your prenatal care), we have to do a special type of billing that allows us to "unbundle" services that are usually all billed together in one "global maternity care" claim.
- If you have a high deductible or a high out-of-pocket maximum, this could mean your birth will be more costly since there will be claims from more than one provider (since the hospital will also bill for the care they provide you). This is not usual if your deductible and out-of-pocket maximum are less than our total package price.
- Most people end up with a refund after a transfer in labor, but please do not expect a *full* refund of what you paid—as noted above, we do still bill for services you had with the birth center even if you do not birth with them, and you will likely have patient responsibility applied to those charges. It is a common misconception from patients that they will receive a full refund of all prepaid amounts in the event of a transfer.
- We will do our best to expedite our claims, but we may be subject to a medical record review; this could delay claims, which, in turn, delays your refund. The birth center will not issue a refund until our claims are finalized because it is only when claims are fully processed by your insurance that we know exactly how much your insurance says you owe out of pocket.