

Over the past 10 years, US birth costs have increased by 50%, C-section rates have risen nearly 60%, and maternal morbidity and mortality rates have doubled. Of particular concern is the extreme variation in maternity care quality, even within narrow geographical regions, suggesting that mothers are exposed to unnecessary risk and employers are subject to avoidable expenses. Today, maternity care represents the second largest area of healthcare spending for commercial employers, yet, despite rising costs, babies and parents are not experiencing better health outcomes.

The Transform Maternity Care (TMC) program emerged given Members' frustration with the current state of maternity care and desire to better support the wellbeing of their employees. In 2014, PBGH produced several resources to equip Members with the information they need to target delivery sites performing below acceptable standards and to call for change. PBGH resources are also for a Member's internal use, so employers can provide expectant parents with tools to help them navigate through common labor interventions, such as inductions, that can increase a woman's chance of needing a C-section.

**How it works:** TMC's initiatives aim to guide Members as they take action to reduce the rate of NTSV C-sections, as well as the extreme variation in quality of maternity care in California. The acronym NTSV (which stands for "nulliparous term singleton vertex") refers to deliveries among women who are first-time mothers (nulliparous), bear a single child at full term (term singleton), and have babies positioned head down (vertex). Since NTSV births are at lower risk for C-sections, high variation of C-section rates in this group suggests overuse of this often risky surgical procedure.

TMC developed a Member Action Plan that identifies four approaches Members can adopt to reduce the NTSV C-section rate in California. Members have ample opportunity to improve the situation, with the NTSV C-section rate among California hospitals averaging 27.8% (14% higher than the Surgeon General's 2020 recommendation) and the dramatic range in hospital NTSV C-section rates across the state extending from a low of 13% to a high of 83.3%. The four approaches documented in the Action Plan are outlined below:

- **Data Transparency:** Key among the four strategies is to improve patient access to hospital maternity quality data. In a 2014 PBGH report, NTSV C-section rates for California's 245 delivery hospitals are analyzed and disclosed. Members can use this report to apply pressure to delivery sites with high C-section rates and to reward those hospitals that exceed standards.
- **Payment Reform:** A second strategy encourages Members to work with their health plans to implement a blended-case rate, which reimburses hospitals and physician the same amount whether mothers deliver vaginally or by C-section. With a grant from the Robert Wood Johnson Foundation, PBGH is piloting with success this blended case rate with data driven quality improvement at four California hospitals and two health plans.



## How will TMC benefit PBGH Members?

- ▶ Any time a C-section can be prevented, Members save up to \$10,000. Even a small reduction in the number of C-sections can translate into large savings for an employer.
- ▶ Member involvement in PBGH's maternity care demonstrates a commitment to a healthier and family-friendly workforce.
- ▶ Improving maternal and infant birth outcomes will likely create a speedier and smoother transition back to work for new parents.

## How can PBGH Members get involved?

- ▶ Read PBGH's Report: *Variation in NTSV C-section Rates Among California Hospitals* and review other materials on the TMC website to learn more about PBGH maternity strategies ([www.pbgh.org/maternity](http://www.pbgh.org/maternity))
- ▶ Contact PBGH to work together with other employers in similar markets and approach hospitals and health plans with specific actions that will result in lower NTSV C-section rates.

- **Patient Engagement:** Maternity-focused patient engagement tools educate expectant parents about treatment options during birth and prepare them for conversations with providers. To facilitate a Member's selection and implementation of such a tool, in 2014 PBGH released a guide with recommendations of maternity-based patient engagement tools.
- **Benefit Design and Access:** Birth assistants (doulas) and midwives are effective in reducing medical interventions during pregnancy, such as C-sections, and improving satisfaction with the birth experience. PBGH can help Members promote use of these services, as often times these services are included as a covered healthcare benefit, but employees are not aware of or able to access them.

**Looking ahead:** With a PBGH report, guide, and action plan produced and disseminated, TMC will work in 2015 with Members to collectively approach health plans and hospitals in target California markets and demand specific actions that will reduce NTSV C-section rates.

In tandem with PBGH's efforts to reduce the NTSV C-section rate in California, TMC will work with Members to further promote these strategies in markets outside of California. PBGH will also explore other maternity efforts that are meaningful to Members, including the promotion of midwifery, the reduction of NICU admissions and improved quality measures. Over the next two years, TMC will also increase its collaboration with the public sector so that both public and private initiatives work in tandem to maximize their joint impact.

## Frequently Asked Questions (FAQs)

### 1. How does C-section rate reduction improve maternity care?

All four strategies in the action plan address the root causes of high costs and poor outcomes currently plaguing maternity care, including care variation, lack of access to high value services, and perverse payment incentives.

### 2. What are the current steps to implementing a blended payment in maternity?

First, hospital and OBGYN leadership agree to lower their NTSV C-section rates through a combination of payment reform and data-driven quality improvement. Second, a health plan connected to the hospital agrees to implement the blended payment with all patients delivering at that hospital. Third, the health plan and the hospital agree on a payment rate. Concurrently, the hospital submits data to and receives direct quality improvement support from California Maternity Quality Care Collaborative (CMQCC).

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## Maternity Milestones

2012

PBGH awarded grant from Robert Wood Johnson Foundation to pilot a new bundled payment in maternity care with CA hospitals.

2013

PBGH recruits first hospitals and health plans to pilot "blended payment" methodology.

2014

Received back data from California Maternal Quality Care Collaborative (CMQCC) suggesting early success of the pilot at three hospitals.

Maternity program expanded upon PBGH Members request

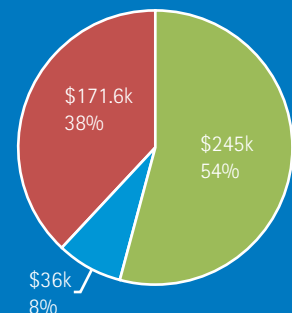
Released "Member Call to Action: Cesarean Reduction"

Produced Report on "Variation in NTSV C-section Rates Among California Hospitals"

Produced "Member Guide: Selecting and Implementing a Maternity-Focused Patient Engagement Tool"

## 2015 Maternity Operations

PBGH Staff: 1.6 FTE  
Revenue: \$453k



- PBGH Member Contributions
- Grants
- PBGH Innovation Fund