

Appendix 3: Sample Practice Concept Paper

Nurse-Midwifery Practice at (your organization)

CONCEPT PAPER & INITIAL STEPS

Prepared by (your midwifery champion)

Date

OPPORTUNITY STATEMENT

An opportunity exists for the development of a Nurse-Midwifery Practice at (your organization). This practice, integrated with the existing Women’s Services programs, will provide excellent patient care as well as increased volume of deliveries at (your organization).

Insert mission of your organization. Discuss the need for midwifery care in the community and why integrating midwives will be advantageous and provide your organization with a competitive advantage.

NURSE-MIDWIFERY PRACTICE MODEL

Identify the model for are proposing for your midwifery practice. Please refer to Appendix 1 in this guide for an overview of models and the pros and cons of each.

A successful practice start-up should incorporate the following key components:

A solid patient base: The (your community) metro area has multiple opportunities for strategic partnerships to enhance rapid practice growth at this time. There is an unmet need in the community and a large base of (be specific about who your target market is) patients that desire Nurse-Midwifery care. This population of patients responds to a practice with midwifery care, bilingual CNM’s and staff, and a supportive caring environment. Potential community partners to enhance rapid growth of underserved and Medicaid patients include:

- **Clinic ABC**
- **Health Departments XYZ**
- **Large Employers 123**

In addition, targeting patients with commercial insurance who are seeking a “high-touch” experience in a tertiary care setting would provide balance to the payer mix of the practice. The underserved population could be accessed immediately and the private practice component of the practice could be developed over time. Contract negotiations between (your organization) and commercial payers to add midwifery care to the existing (your organization) contracts is a critical first step. Credentialing of CNM’s on each health plan must be structured to avoid billing compliance issues (such as “incident to” billing) and each CNM must be added to the health plan provider list including each plan’s web site.

Networking in the community with existing primary care providers may reveal additional potential partners. Two opportunities at this time are:

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- Primary Care Practice ABC
- Primary care practice XYZ

An experienced Nurse-Midwifery Practice Director: (Your organization should consider a formal leadership role for midwives right from the beginning. One of the many “lessons learned” from successful practices is that midwives have a voice at the table. Identifying one individual to fulfill this role or designing a shared governance model and rotating the leadership role are two options. The following verbiage was used in the original Concept Paper).

It is critical to recruit a strong midwifery leader with a proven track-record at practice development, team management, marketing, education, and community relationship building. The incoming Director is a nationally respected midwifery leader with a Master’s degree in Nursing and a Master’s in Business Administration. A workload split of 20/80 clinical time/administrative time is recommended to ensure that the Director has ample time to focus on building the caseload, maintaining internal structure and practice quality

A Nurse-Midwifery practice group: Recruiting CNMs that provides clinical excellence as well as value-added strengths that will meet the needs of the target population is key to the rapid start-up of this program. Value-added skills that we want to recruit for include (you need to decide what is important to you but some items may include the following) bilingual skills (Spanish), community relationships and experience as faculty for a variety of students. In a start-up practice, hiring experienced and high-quality CNM’s enhance the likelihood of success. As the practice grows it would be appropriate to consider hiring a new graduate CNM. Here are a few points to consider:

- The number of Certified Nurse-Midwives (CNM’s) depends upon the volume of deliveries and the number of and volume in the outpatient sites. The national benchmark for CNM staffing ratios is 8-10 deliveries per clinical CNM FTE per month. An initial team of 3 full-time CNM’s for the start-up practice will serve (your organization) well. This initial team can help build the patient caseload, care for patients in the primary outpatient clinic and staff some of the outreach sites. A call-based model will provide coverage at (your hospital) for deliveries.
- Recruitment of a CNM with connections in the one of the key target areas would be extremely valuable.
- CNM staffing levels will be assessed regularly and additional CNMs should be added as the practice grows. Flexibility during the growth periods is enhanced by the use of PRN CNMs. In addition, PRN coverage for CNM time off (PTO or Educational Time) will be needed. Once the practice has demonstrated its ability to successfully recruit patients and has a caseload of over 20 patients due each month, the first PRN CNM should be recruited.
- The aggressive growth goals for the CNM practice will eventually lead to the need for 24/7 in-house CNM staffing. Generally, this occurs when the practice is delivering 50-60 babies per month. Outpatient coverage at the primary clinic site will be dependent upon the volume of outpatient visits. It is anticipated that a schedule for two CNM providers per day will be easily filled once the volume of 50-60 births per month is reached. In addition, the time commitment to outreach sites must be considered when determining the need for CNM FTE’s.

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Office support staff: Staff experienced with Nurse-Midwifery care and the target patient populations is critical to the success of this community-based program. A key player is the office manager and this program requires an office manager with solid management and organizational skills. Other points to consider include:

- Front and back office support staff must be bilingual and experienced in providing support for obstetrical care as well as working with the target patient population. The size of support staff depends upon the size and the anticipated volume of outpatient visits in the outpatient clinic setting. If the practice integrates the Centering Pregnancy™ model of care, support staff that have been trained in co-facilitation of Centering groups will be value-added.
- Other potential roles to be considered include:
 - Phlebotomist or a mechanism to refer patients to a laboratory draw station
 - Ultrasound Technician
 - Case manager or Social Worker
 - Financial Screening Clerk

Physician consultation services: It is essential that CNM's function within a health care system that provides for physician consultation, collaboration and referral. The physicians from (x practice) have been designated as consultants for the CNM practice. Once the CNM team has been hired it would be important to have the entire team develop Written Practice Guidelines and modify the draft document to meet the needs of the CNMs and the physician consultants.

Discuss issues such as the management of moderate and high-risk patients. Describe the referral system that will be developed to refer high-risk patients to physician care as well as a referral streams to the physician practice. Guidelines for patients who need MFM consultation must be addressed as well.

Down-stream revenue from referrals will result over time as the CNM's refer complicated OB and GYN patients to the physician practice. In addition, referrals to pediatric practitioners for every baby born through the practice will help expand the pediatric caseload for private physicians in the community. Referral to the primary care providers for pediatric and adult patients can contribute to the success of these practices.

One point that must be addressed is how to manage the referral of CNM patients who do not have insurance. Development of a sliding scale or self-pay mechanism early on would be very helpful.

MARKETING AND COMMUNICATIONS

With support from (your organization's) marketing team, a practice name, logo and "look" should be a first step. Development of collateral materials such as a practice brochure must be developed quickly. A web site is a very important tool for targeting women with commercial insurance and a link to the ACNM midwife locator engine should be established immediately. A comprehensive marketing and communications plan will be one of the priorities during the first few weeks that the Director is on-board.

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COMMUNITY COMPETITIVE ENVIRONMENT

Nurse-Midwifery Practices

The (your community) metro area has numerous large and successful Nurse-Midwifery practices. Currently, the largest player in the market is XYZ with 123 hospital-based practices:

- Practice 1 (XXX deliveries/year)
- Practice 2 (XXX deliveries/year)
- Practice 3 (XXX deliveries/year)
- Practice 4 (XXX deliveries/year)

Provide a summary of existing obstetrical practice in your community

PATIENT PAYER MIX

Describe the payer mix in your community and the projected payer mix for the midwifery practice.

A mechanism for the CNM's to bill for all professional services provided to patients must be in place before enrolling patients into the practice (see more detail in the following section). In addition, a mechanism to track all downstream revenue, both on the inpatient and outpatient side needs to be developed. It would also be useful for (your organization) to begin analysis of the current hospital facility fee reimbursement levels for MediCal and commercial payers.

VOLUME PROJECTIONS FOR THE NURSE-MIDWIFERY PRACTICE

Discuss any community or market conditions that are specific to your location. Following is verbiage from the original Concept Paper.

At this time, the potential for enrollment of New OB Patients each month at a new Nurse-Midwifery practice is tremendous. Although an initial start-up period can be anticipated, in a short time the practice should grow tremendously. It is anticipated that the practice could expand to enrollment of XXX New OB's per month by the end of XXXX and the maturation of these enrolled patients to delivery would result in XX deliveries per month by XXXX. Sound referral networks will insure the successful growth of the practice. On-going analysis of outpatient volume and deliveries is critical to monitor profitability of the practice.

REGULATORY COMPLIANCE ISSUES

The Joint Commission (TJC) Accreditation: Hospital based clinics must comply with the same criteria required of hospitals to be accredited by TJC. Collaboration with the Quality Department at (your organization) is essential to insure TJC compliance.

OSHA Requirements: Hospital or practice standards for OSHA training of CNM's and office staff should be fulfilled through existing mechanisms.

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CLIA Requirements: The outpatient site should qualify for a Certificate of Waiver from CLIA. Routine testing of urine, blood glucose monitoring, microscopy for wet-preps, urine pregnancy tests, rapid strep screen tests, and Hemocult testing are all included in the waiver category.

In the initial development of the practice there needs to be coordination with (Your organization) entities to address additional regulatory requirements

LABORATORY SERVICES ISSUES

Describe your plans for addressing laboratory services issues. Verbiage from the original Concept Paper is as follows:

(If you are a hospital, you probably already have a Laboratory Services presence). It would be ideal to coordinate all the practice laboratory needs with this internal partner. Some payers require use of one of the private providers of laboratory services through Quest or LabCorp. Both of these companies provide laboratory supplies, courier transportation of samples from the clinic to the laboratory and provide reports in a timely fashion. There is no cost to the practice for using these services. Patients' payors are billed directly for laboratory services.

BILLING FOR PROFESSIONAL SERVICES

Billing services for outpatient and inpatient professional services will be managed through (your organization or a new billing service). The complexity of coding and billing for obstetrical services, especially with a MediCal population, can present many challenges to a billing agent. Advanced planning and development of a sound billing process is essential to maintain billing integrity and compliance.

ANTICIPATED REVENUE FROM INPATIENT CLINICAL SERVICES

The following table provides a framework for projecting the potential inpatient revenue based upon DRG unit based reimbursement for inpatient facility services from MediCal. *For a full scope pro forma projection tool, see Appendix 2.*

DRG (Description)	Anticipated Volume of DRG per Year	Reimbursement per DRG Unit	Total Reimbursement per DRG per Year
370 (High risk C/S)	10%		
371 (Low risk C/S)	5%		
372 (High risk vaginal delivery)	40%		
373 (Low risk delivery)	45%		

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The financial team will need to research their current DRG reimbursement rate and project inpatient revenue based on the assumption of XX MediCal funded deliveries per month by mid-XXXX. The anticipated payer mix will undoubtedly change over time as the practice matures and the volume of patients with commercial insurance increases.

IMPACT ON HOSPITAL REIMBURSEMENT

The average hospital Length of Stay (LOS) should be determined for each of the DRG codes. Adding the projected volume of MediCal funded deliveries, the financial team can project the total increase in MediCal bed days at the hospital.

The following table provides a template for analysis of the average length of stay and MediCal bed days. *For a full scope pro forma projection tool, see Appendix 2.*

DRG CODE	LOS	VOLUME	TOTAL DAYS/DRG
370 (High risk C/S)			
371 (Low risk C/S)			
372 (High risk vaginal delivery)			
373 (Low risk vaginal delivery)			
TOTAL NEW PATIENT BED DAYS			

CONCLUSION

There is an immediate need in (your community) market for increased access to Nurse-Midwifery care, both for women on Medicaid and women with private insurance. (Your organization) is well positioned to develop a Nurse-Midwifery practice which will meet the needs of the community and the hospital. The philosophy of Nurse-Midwifery care will complement the culture at (your organization) and will serve to assist the practice or hospital in achieving its goals of excellence in Women's Services into the future.