

GAO

Report to the Honorable  
Daniel K. Inouye, U. S. Senate

November 1987

# MEDICAID

## Use of Certified Nurse-Midwives



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United States  
General Accounting Office  
Washington, D.C. 20548

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Human Resources Division

B-229249

November 27, 1987

The Honorable Daniel K. Inouye  
United States Senate

Dear Senator Inouye:

This report is in response to your request and later discussions with your office relating to your concern that services of certified nurse-midwives are not being covered under the Medicaid program in every state, as mandated by the Comprehensive Omnibus Budget Reconciliation Act of 1980 (COBRA), Public Law 96-499. You also asked that we determine the sanctions available to the federal government when states do not comply with federal regulations for nurse-midwife coverage.

In summary, we found that all states have a law or regulation that allows nurse-midwives to practice. As of September 1987, 44 states covered nurse-midwife services under their Medicaid program and, according to Health Care Financing Administration (HCFA) officials, are in compliance with requirements. HCFA said that it has been working with the other six states to bring their state plans into compliance with Medicaid requirements, but has not applied its only available sanction—the complete withdrawal of federal Medicaid funds.

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## Background

A nurse-midwife, as defined by COBRA, is a registered nurse who has successfully completed a program of study and clinical experience meeting guidelines prescribed by the Secretary of Health and Human Services (HHS), or has been certified by an organization recognized by the Secretary, and is legally authorized to perform such services in the state. This report concerns nurse-midwives meeting this description.

We met with officials of HCFA and representatives of the American College of Nurse-Midwives. We talked with HCFA regional officials and with nurse-midwives from various states about the Medicaid program. At our request, during the period June through September 1987, HCFA surveyed all 50 states to determine the status of coverage for services of certified nurse-midwives under Medicaid. This survey requested each state to provide evidence as to whether a state law or regulation authorized the services of nurse-midwives and to provide evidence as to how the state Medicaid plan for services addressed nurse-midwife services. We reviewed the documentation HCFA received for all 50 states.

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The following states are not in compliance with Medicaid program requirements. However, HCFA is working with them to bring them into compliance.

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**Illinois and Kansas**

HCFA officials told us that both states are planning to amend their Medicaid plans to provide for the services and reimbursement of nurse-midwives.

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**Missouri**

Although state law authorizes nurse-midwives to practice and the state plan covers their services, Missouri was not in compliance with Medicaid requirements because it had no procedures in place for processing and paying claims for services of nurse-midwives. In September 1987, the state published proposed regulations to allow for the payment of nurse-midwife claims under the Medicaid program. In October 1987, we were advised that the final regulations had been published and that such claims will be paid beginning on December 1, 1987.

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**Nebraska**

Although state law authorizes nurse-midwives to practice, the state Medicaid plan does not cover their services. HCFA officials told us that they are working with the state to revise its state Medicaid plan to cover the services of nurse-midwives.

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**Tennessee and Texas**

Both states have laws that authorize nurse-midwives to practice; however, their state Medicaid plans place restrictions on nurse-midwives' services beyond those in the state laws. HCFA is working with these states to bring their Medicaid plans into compliance with the provisions of their state laws.

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**Federal Sanctions Available**

The only sanction available in case of noncompliance with federal requirements for coverage of nurse-midwives under the Medicaid program is the withdrawal of all federal Medicaid funds. According to HCFA officials, this sanction would only be used in extreme cases, because withdrawal of federal funds would affect services to all Medicaid participants. These officials said this sanction has not been imposed on any state because of problems with the nurse-midwives' issue. However, according to these officials, their past attempts to withdraw federal funds from a state for noncompliance with Medicaid requirements proved to be a costly, time-consuming undertaking.

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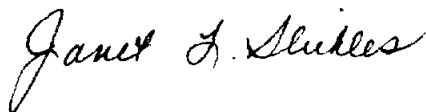
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We did not request official agency comments because nearly all the data in this report were provided through HCFA and we are not making recommendations. We have, however, discussed this report with HCFA officials and have incorporated their comments where appropriate. As arranged with your office, unless its contents are announced earlier, we plan no further distribution of this report until 30 days from the issue date. At that time, we will send copies to interested parties and make copies available to others on request.

Sincerely yours,



Janet L. Shikles  
Associate Director

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## Use of Certified Nurse-Midwives

Title XIX of the Social Security Act established Medicaid—a program of medical assistance for certain low-income individuals and families. This program, which became effective on January 1, 1966, is the primary source of health care coverage for the poor in America. Medicaid is operated under state law by each state within certain broad federal requirements and guidelines. It is financed jointly with state and federal funds, with the current federal contribution to the cost of the program ranging from 50 to 79.65 percent depending on the state's per capita income. In fiscal year 1986, federal and state expenditures for Medicaid were about \$44.5 billion.

Public Law 96-499, dated December 5, 1980, provided for the reimbursement under Medicaid for services furnished by nurse-midwives, as defined in that act. House Conference Report Number 1479, relating to this legislation, states that the “provision would not preempt state law or regulation relating to the legality or scope of practice of nurse-midwives.” To be in compliance with federal regulations dealing with nurse-midwives, if state law or regulation authorizes nurse-midwives to practice, the state Medicaid plan must provide coverage for nurse-midwives' services. If state law or regulation does not authorize the services of nurse-midwives, the state is not required to provide for the service in its state Medicaid plan. Also, to be in compliance with federal requirements, the state must follow the plan once it is approved by HCFA.

According to the American College of Nurse Midwives, there are about 3,400 certified nurse-midwives across the nation, of whom an estimated 2,800 to 3,000 practice their profession. Because HCFA's accounting system does not collect information specifically on nurse-midwives, HCFA does not know either the number who have provided services or the amount that has been paid to them through the Medicaid program.

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## States' Compliance With the Medicaid Program

At our request, HCFA undertook a survey of states to determine coverage of nurse-midwife services under Medicaid. The survey, completed in September 1987, shows that all 50 states have a law or regulation that allows nurse-midwives to practice, and 44 of them cover nurse-midwife services under their Medicaid programs. Included in the 44 is Arizona, which operates its Medicaid program as a demonstration project. Nurse-midwives are allowed to provide and be reimbursed for their services under the Medicaid project in that state.

