

Rule Impact Statement (2025)

A. Purpose of the proposed rule and legal authority (75 OS 253(B)(2)(b)(1), 75 OS 303(D)(2)(a))

The purpose of the proposed rule changes is to comply with state law. Senate Bill 1739 (2024) directed the Oklahoma Health Care Authority to cover the services of freestanding birthing centers, certified nurse midwives, and licensed midwives.

The legal authority for this proposed rule is 63 O.S. §5007(C)(2), 36 O.S. §6060.3, 63 O.S. §1-701, 63 O.S. §1-702a, 63 O.S. §3129, and 63 O.S. §5029.1.

B. Brief description of the proposed rule (75 OS 253(B)(2)(b)(3))

The proposed policy changes establish coverage and reimbursement methodologies for birthing centers and licensed midwives. They allow coverage of birthing center and licensed midwives' services for normal, uncomplicated, low-risk births. Birthing centers must be accredited by the Commission for the Accreditation of Birth Centers (CABC). Licensed midwives must be Certified Midwives or Certified Professional Midwives and be licensed by the Oklahoma State Department of Health (OSDH) to provide midwifery services. Birthing centers will be reimbursed a facility charge determined by the Ambulatory Payment Classification (APC) fee schedule. Licensed midwives will be reimbursed 80% of the physician fee scheduled for services within their scope of practice as defined by state law.

C. Classification of proposed rule (75 OS 253(B)(2)(b)(2))

Classification: Nonmajor

Justification: The proposed changes are expected to be budget neutral due to a shift in billing provider type. The proposed changes do not create coverage for new services. All services provided by birthing centers and licensed midwives are also provided by existing provider types, such as hospitals and physicians.

Total annual implementation and compliance costs: Budget neutral.

Methodology used to calculate costs (75 OS 253(B)(2)(b)(7)): The proposed rules are not anticipated to increase demand for or utilization of maternal or women's health services. The rates set for birthing centers are similar in nature to those for births that occur in a hospital setting.

D. Description of affected classes of persons most likely to be impacted by the proposed rule (75 OS 253(B)(2)(b)(4), 75 OS 303(D)(2)(b))

Licensed midwives, certified nurse midwives, and SoonerCare members who choose to receive services from those providers will be positively affected by this rule.

E. Description of classes who will benefit from the proposed rule (75 OS 253(B)(2)(b)(5), 75 OS 303(D)(2)(c))

The proposed policy changes create new coverage that will benefit SoonerCare members who choose to receive services from a birthing center or licensed midwife. Providers at birthing centers

and licensed midwives will benefit from the reimbursement methodologies created by the proposed changes.

- F. Comprehensive economic impact analysis (75 OS 253(B)(2)(b)(6), 75 OS 303(D)(2)(d)):** There is no economic impact because some funding will transfer from traditional hospital settings to birthing centers in a similar area.

Methodology used to calculate costs (75 OS 253(B)(2)(b)(7)): The proposed changes are expected to be budget neutral due to a shift in billing provider type. The proposed changes do not create coverage for new services. All services provided by birthing centers and licensed midwives are also provided by existing provider types, such as hospitals and physicians. The proposed changes are not anticipated to increase demand for or utilization of maternal and women's health services. The rates set for birthing centers are similar in nature to those for births that occur in a hospital setting.

- G. Probable costs and benefits to OHCA and other agencies (75 OS 253(B)(2)(b)(6), 75 OS 303(D)(2)(e))**

The only anticipated costs to OHCA are those incurred for systems changes necessary to allow birthing centers and licensed midwives to contract with OHCA and bill for covered services. These system changes are necessary to comply with SB1739 (2024). All other implementation considerations, such as provider education and quality oversight, will be absorbed by existing agency capacity. OHCA will benefit from an expanded network of maternal and women's health providers.

There are no anticipated impacts of the proposed rules on other agencies.

- H. Economic impact on political subdivisions and whether their cooperation is required (75 OS 253(B)(2)(b)(8), 75 OS 303(D)(2)(f))**

There is no anticipated economic impact on any political subdivisions, and their cooperation is not required.

- I. Economic impact on small businesses (75 OS 253(B)(2)(b)(9), 75 OS 303 (D)(2)(g))**

Most birthing centers in Oklahoma are small businesses. The proposed changes are anticipated to have a positive economic impact on those entities by increasing reimbursement opportunities for their services.

- J. Measures taken to minimize compliance costs and assessment of less costly, less intrusive, or nonregulatory alternatives (75 OS 253(B)(2)(b)(10), 75 OS 303(D)(2)(h))**

To minimize compliance costs, only the minimum necessary changes to birthing center rules are proposed here. OHCA conducted extensive outreach to impacted providers and stakeholders to inform policy development. OHCA implemented feedback from public comments when reasonable and feasible.

SB1739 (2024) directs the OHCA to make changes to coverage and provider contracting standards and seek federal approval for reimbursement of those changes. Nonregulatory alternatives are not compliant with state law.

K. Effect of the rule on public health, safety, and the environment (75 OS 253(B)(2)(b)(11), 75 OS 303(D)(2)(i))

The proposed rule changes are anticipated to have a positive effect on public health by increasing access to birthing center and licensed midwife services for SoonerCare members.

L. Detrimental effects if the proposed rule is not implemented (75 OS 253(B)(2)(b)(12), 75 OS 303(D)(2)(j))

If the proposed rules are not implemented, SoonerCare members will continue to have limited access to birthing centers and no access to licensed midwives' services. Birthing centers will be required to maintain a license that does not exist to be reimbursed for their services to SoonerCare members. OHCA will be out of compliance with state law.

M. Summary of and preliminary comparison to existing or proposed federal regulations (75 OS 303(D)(2)(n))

The proposed changes related to licensed midwives are aligned with federal regulations on medical care provided by other licensed practitioners (42 CFR 440.60). The proposed changes related to birthing centers are aligned with federal law allowing Medicaid coverage of birthing centers approved by the State (42 USC 1396d(l)(3)).

N. Analysis of alternatives to adopting the proposed rule (75 OS 303(D)(2)(l))

SB1739 (2024) directs the OHCA to make changes to coverage and provider contracting standards and seek federal approval for reimbursement of those changes. Any alternative to adopting the proposed rule is not compliant with state law.

O. Estimates of internal OHCA employee time and other resources used to develop the proposed rule (75 OS 303(D)(2)(m))

OHCA began developing the proposed changes before statutory changes to the rule impact statement content were effective. For that reason, most of the development work was not closely tracked. The following are estimated of OHCA staff time and resources used to develop the proposed rule based on trackable and available information.

Policy staff time: 100 hours

Finance staff time: 50 hours

Medical staff time: 50 hours

Quality staff time: 50 hours

Provider engagement and education/systems staff time: 50 hours

SoonerSelect operations staff time: 15 hours
Communications staff time: 3 hours

P. Date statement prepared or modified (75 OS 253(B)(2)(b)(13), 75 OS 303(D)(2)(k))

Prepared: September 26, 2025

Modified: October 7, 2025; November 25, 2025