



Legislation Details (With Text)

**File #:** Res 1023-2025      **Version:** \*      **Name:** Mandate that when a patient is transferred from a birthing center to a hospital, insurance companies must dedicate a portion of the facility fee for the birthing center.

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**Title:** Resolution calling on the New York State Department of Health to mandate that when a patient is transferred from a birthing center to a hospital, insurance companies must dedicate a portion of the facility fee for the birthing center

**Sponsors:**

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**Attachments:** 1. Res. No. 1023, 2. August 14, 2025 - Stated Meeting Agenda, 3. Hearing Transcript - Stated Meeting 8-14-25

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12/31/2025	*	City Council	Filed (End of Session)	

Res. No. 1023

Resolution calling on the New York State Department of Health to mandate that when a patient is transferred from a birthing center to a hospital, insurance companies must dedicate a portion of the facility fee for the birthing center

By Council Members Menin, Louis, Restler and Hanif

Whereas, A New York birthing center is often a freestanding healthcare facility that provides a supportive, homelike environment for low risk births by putting the emphasis on natural childbirth while minimizing traditional medical interventions; and

Whereas, Birthing centers are usually staffed by certified professional midwives who, after training, apprenticeship, written tests and skills exams, are certified by the North American Registry of Midwives to provide prenatal, labor, delivery, and postpartum care for persons with low risk pregnancy; and

Whereas, If for any reason a patient needs to be transferred from a birthing center to a full service

hospital, the insurance company compensates the birthing center with only the professional fee and gives the entirety of the facility fee to the hospital, even if the patient received other services at the birthing center; and

Whereas, A facility fee is defined as “the total fee minus the professional fee for the services of licensed health care practitioners,” and given this broad definition, according to the National Institutes of Health (NIH), the compensation that the birthing center receives from insurance decreases by approximately 68% when the patient is transferred to a full service hospital; and

Whereas, According to the NIH, this reimbursement is typically paid to the facility where the actual birth takes place and may not fully cover the resources the patient utilized at the birthing center during labor and care before the transfer; and

Whereas, Birthing centers are typically small businesses with limited resources that provide pregnancy-related care to patients at a fraction of the cost as compared to hospitals; and

Whereas, Some birthing centers have stopped taking Medicaid patients due to the inadequate rate of reimbursement as a result of the current financial model and reimbursement structure; and

Whereas, This financial challenge underscores the need for policies and payment models that ensure fair compensation for birthing centers, who, according to the NIH, play a crucial role in providing “high-quality, lower cost maternity care, especially for traditionally marginalized populations”; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Department of Health to mandate that when a patient is transferred from a birthing center to a hospital, insurance companies must dedicate a portion of the facility fee for the birthing center.

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