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## **Medicaid Agency to Stop Payment for Elective Early Deliveries Aims to Improve Health of Newborns, Reduce Preterm Births in South Carolina**

**COLUMBIA, S.C.** — Starting this month, the South Carolina Department of Health and Human Services (SCDHHS) will no longer provide reimbursement to hospitals and physicians for elective inductions or non-medically indicated deliveries prior to 39 weeks gestational age. This applies to both inductions of labor and cesarean sections. With broad support from the health care community, this policy implementation is championed by the South Carolina Birth Outcomes Initiative (BOI), a collaboration formed in 2011 among SCDHHS, the South Carolina Hospital Association, the South Carolina Obstetrical and Gynecological Society, the South Carolina Chapter of the March of Dimes, maternal fetal medicine physicians from all five regional perinatal centers, BlueCross Blue Shield of South Carolina (BCBSSC) and other stakeholders.

The inclusion of BCBSSC, which has its own comprehensive programs for increasing healthy birth outcomes, is integral to the success of the state's efforts. Together SCDHHS and BCBSSC cover approximately 85 percent of all South Carolina births annually. Medically-indicated delivery reimbursement remains unchanged.

In the last year, non-medical inductions prior to 39 weeks have been reduced by half as a result of a BOI-sponsored commitment from all 43 birthing hospitals in South Carolina to end the practice.

"Together with hospitals, doctors and the private sector, we are serious about improving the health of babies in our state. We've already seen these deliveries reduced by half," said SCDHHS Director Tony Keck. "This first-of-its-kind collaborative effort between the State, the largest private payer and the healthcare community is an incredible step toward giving all South Carolina babies a healthy start."

Traditionally, public health efforts have focused on preventing *preterm* births prior to 37 weeks gestational age. Premature birth is the leading cause of newborn death. Babies who survive an early birth often face low birth weight and lengthy stays in a Neonatal Intensive Care Unit and are at a higher risk of corresponding lifelong health problems, such as breathing problems, cerebral palsy, intellectual disabilities and others. In 2011, 14 percent of live births in South Carolina were delivered preterm; a rate much higher than the national average of 11.7 percent.

But other infants are at risk as well. *Early term* births, delivered at 37 and 38 weeks gestational age, also pose serious risks to babies and represent a significant cost to the healthcare system. The American Congress of Obstetricians and Gynecologists (ACOG) advises against non-medically indicated elective deliveries prior to 39 weeks gestational age. Despite these guidelines, however, there has been a national trend toward elective

early labor induction and cesarean section. South Carolina is no exception. There were more than 6,000 early elective deliveries in 2011 in South Carolina.

“The last few weeks of pregnancy are very important for the health of the baby,” said Dr. Amy Picklesimer, Maternal Fetal Medicine physician with Greenville Hospital System and the Clinical Lead for the BOI. “Infants who are electively delivered prior to 39 weeks have an increased risk of respiratory distress, admission to the NICU and prolonged hospitalization. There is no medical benefit to the mother. These deliveries are typically performed for scheduling convenience.”

SCDHHS through the BOI is working on other initiatives to improve the health and healthcare for pregnant women and infants in South Carolina. In 2012, a program incentivizing doctors to screen pregnant women for risk factors such as substance abuse, domestic violence and depression was started. In 2013, incentive payments will be available for providers offering CenteringPregnancy, a group model of prenatal care shown to decrease rates of preterm birth by 40 percent. SCDHHS also recently announced the "Race to the Date" program which provides financial rewards to hospitals certified as "Baby Friendly" by September 30, 2013.

This SCDHHS policy applies to all fee-for-service, medical home networks and managed care organization participants.

*The South Carolina Department of Health and Human Services provides health care benefits to more than 1.1 million South Carolinians and financially supports almost half of all births in the state. Its mission is to purchase the most health for our citizens in need at the least possible cost to the taxpayer.*

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