# Benefits Insights

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## A New Approach to Maternity Billing and Its Impact on Employers

For decades, maternity care in the United States has been billed under a single bundled fee covering an entire pregnancy, from the first prenatal visit through postpartum checkup. Effective Jan. 1, 2027, the American Medical Association (AMA) is retiring that model in favor of itemized, visit-by-visit billing. The change extends beyond physician payments. Maternity claims already rank among employers' top five health care cost drivers and are climbing an estimated 8% to 12% a year, according to HR Dive. Pregnancy and childbirth also account for roughly 1 in 4 hospital admissions nationwide, per data from the National Business Group on Health.

This article explains why the AMA is replacing bundled maternity billing with itemized, visit-by-visit codes in 2027 and how costs will differ between fully insured and self-funded employers. It also covers what the change could mean for employees, and the steps employers can take now to prepare before it takes effect.

### What's Driving the Shift From Bundled to Itemized Billing

Maternity care has traditionally been billed under a single "global" code. One flat fee has covered around 13 prenatal visits, delivery and a postpartum visit, paid out only after that final visit, regardless of how much care a patient needed along the way. Starting in 2027, every prenatal visit, along with labor, delivery and postpartum care, will be coded and billed individually, and providers will be paid as care is delivered rather than waiting until the pregnancy ends.

The change reflects how much maternity care has evolved since global billing was designed. Ultrasounds, telehealth visits, expanded care teams and postpartum mental health screenings did not exist when the model was built, and a flat rate no longer reflects the care many patients actually receive. High-risk pregnancies have also become more common, and for physicians, the current model has meant delayed reimbursement and lost revenue when a patient transfers care mid-pregnancy. That gap between payment and practice is what pushed obstetric groups to lobby the AMA for a new coding structure.

### What This Means for Employer Health Care Costs

The financial impact of unbundling depends heavily on how a health plan is funded. Self-funded employers are likely to feel the change first and most directly. A single end-of-pregnancy claim can become dozens of itemized charges spread across the plan year, and third-party administrators may charge more to process that additional claim volume. Without a flat-rate ceiling, a complex or high-risk pregnancy can generate costs that are harder to predict month to month.

Fully insured employers are somewhat insulated from that claim-by-claim exposure, since the carrier absorbs cost swings during the plan year. That protection is temporary, as any increase in maternity claims and administrative costs is likely to be reflected in premium calculations at the next renewal. The bill still arrives, just on a different timeline. And employers are not the only ones who will feel that shift. Employees are exposed to it too, in ways that go beyond the premium line.

## What This Means for Employees and Access to Care

Cost is not the only thing changing for employees. Under the Affordable Care Act, preventive prenatal care must still be covered in full, but nonroutine visits, such as monitoring a complication or treating severe morning sickness, can now incur an out-of-pocket charge. Employees on high deductible health plans could also see their deductible reset mid-pregnancy if their due date falls on the boundary between two calendar years.

That unpredictability carries clinical weight. When patients face more frequent bills, some may delay or skip recommended prenatal visits, and conditions such as preeclampsia, gestational diabetes and hypertensive disorders become more likely to go undiagnosed without consistent care. Inconsistent prenatal care is also associated with a higher risk of preterm birth, which can lead to neonatal intensive care unit stays costing thousands of dollars per day. Access is already limited; according to March of Dimes, more than a third of U.S. counties are considered maternity care deserts, lacking a hospital, birth center or provider offering obstetric care. The added administrative burden of itemized billing could widen that gap further if it pushes smaller, independent practices toward consolidation or closure.

## Steps Employers Can Take Now

Employers have several months to prepare before the change takes effect, and much of the groundwork begins with the plan already in place. They should consider the following strategies:

- **Start with the benefits you already have**. Many health plans include maternity-related benefits that go unused simply because employees do not know they exist, such as in-network midwife coverage, doula reimbursement, lactation support or a virtual maternity care platform. Reviewing the plan and confirming what is already available costs nothing and often reveals benefits to promote right away.
- **Evaluate your current plan design**. Doula-attended births have been linked to a 47% lower rate of cesarean sections, according to a 2024 study in the American Journal of Public Health, and expanding coverage for certified nurse-midwives or accredited birthing centers provides additional care options for lower-risk pregnancies. Employers can review potential cost implications of the new billing structure and determine whether opportunities exist to improve affordability and access to maternity care. For fully insured plans, this may include evaluating carrier maternity-management programs, evaluating alternative funding or network arrangements, reviewing cost-sharing provisions for prenatal and postpartum services, and negotiating renewal terms that account for anticipated changes in maternity claims experience.
- **Keep employees informed.** Clear communication about what the plan covers, how plan type costs differ, and what employees can expect to pay under the new billing structure can help families plan ahead rather than be surprised by a bill. Encouraging employees to use available health savings account or flexible spending account funds for eligible maternity-related expenses may also help ease the financial impact of pregnancy and childbirth, regardless of whether the employer sponsors a fully insured or self-funded health plan. Employers may also want to highlight maternity resources, care navigation services and cost-estimation tools to help employees make informed decisions throughout their pregnancy journey.

## Preparing for What's Ahead

Maternity billing is moving away from a single, predictable fee toward a system based on the services each patient receives. That shift may improve how complex pregnancies get reimbursed and cared for over time, but it also introduces new cost and access questions for employers to work through before January 2027. Employers who take stock of their current benefits, intentionally review their plan designs, and keep employees informed will be in a stronger position when the new billing rules take effect.

Contact us to review your current maternity benefits and prepare your plan for the 2027 billing change.