



April 23, 2025

The Honorable Mia Bonta
Chair, Assembly Health Committee
1020 N Street, Room 390
Sacramento, CA 95814

SUBJECT: AB 1386 (Bains) — OPPOSE UNLESS AMENDED

Dear Assemblymember Bonta:

Over the past 10 years, more than 50 labor and delivery (L&D) units have closed in California hospitals, diminishing access to maternity care in rural and urban communities. Three primary factors are behind California's reduced capacity for hospital deliveries: lower birth volume, workforce shortages, and hospitals' financial instability. Assembly Bill (AB) 1386, which would require perinatal services (those provided by L&D units) to be offered at all California hospitals, fails to acknowledge any of these factors. **As the bill does not account for or address the drivers of reduced access, the California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, must oppose AB 1386 unless amended.**

Maintaining labor and delivery (L&D) services is particularly challenging in areas with low birth volumes and significant workforce shortages. Many regions in California — especially lower-income communities — face a severe lack of OB/GYNs, with eight counties having no licensed OB/GYNs at all. These workforce constraints make it difficult — especially for hospitals facing significant financial distress — to ensure the specialized, around-the-clock staffing needed to safely operate an L&D unit.

When considering solutions to maintaining L&D services in hospitals, any approach must address the factors underlying access challenges and recognize that every community is unique and requires a resolution tailored to its needs. Legislation requiring every hospital to open a labor and delivery unit is not feasible and would only come at the cost of other services being cut — especially for the more than 50% of California hospitals that lose money every day caring for patients.

CHA has offered a number of amendments, including:

- The establishment of a statewide Obstetrical Coverage Program and a Statewide Obstetrical Nurse Staffing Pool to ensure equitable access to specialized care in communities unable to support an OB/GYN practice or hospital-based maternity unit

- Requirements that health plans, including all Medi-Cal managed care plans, reimburse general acute care hospitals for perinatal services at rates sufficient to cover direct and indirect costs of providing those services

For these reasons, **CHA requests your “NO” vote on AB 1386** unless it is amended to address these concerns.

Sincerely,

Vanessa Gonzalez

Vanessa Gonzalez
Vice President, State Advocacy

cc: The Honorable Dr. Jasmeet Bains
The Honorable Members of the Assembly Health Committee
Lara Flynn, Principal Consultant, Assembly Health Committee
Justin Boman, Consultant, Assembly Republican Caucus