



May 7, 2025

The Honorable Anna Caballero
Chair, Senate Appropriations Committee
State Capitol, 412
Sacramento, CA 95814

SUBJECT: SB 32 (Weber Pierson) — SUPPORT

Dear Senator Caballero:

Maternal care deserts are a persistent and growing threat to the health of mothers and babies. Driven by many factors, including low birth volumes, workforce shortages, and ongoing financial instability of hospitals, approximately 3 million Californians reside in areas with no labor-and-delivery (L&D) hospital units available, or where these units are at significant risk of closure.

In areas with no or too few L&D units, the travel distance required to access maternity services affects the health outcomes of patients. For example, an expectant mother traveling six additional miles faces an 11% increase in the likelihood of experiencing negative outcomes and a 15% increase in the likelihood the baby will be admitted to neonatal intensive care. These risks worsen the farther a patient must travel, and they have a disproportionate impact on people of color and low-income populations.

Reversing these concerning trends in maternal care access in rural and underserved areas will require a multifaceted approach and long-term commitment from all stakeholders: doctors, payers, hospitals, and more. It is also critical to ensure that any solutions are tailored to the unique needs and demographics of different regions. State regulatory standards for plans and insurance companies support the local partnerships and collaborations essential to improving access to maternal care. While commercial insurers and Medi-Cal managed care plans are subject to general hospital network adequacy standards, there is still a need to establish consistent time-and-distance requirements specifically for hospital-based L&D units.

That's why the California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, supports Senate Bill (SB) 32. This bill would require California agencies overseeing health insurance to develop geographic accessibility standards specifically for L&D hospital units — standards that all state-regulated health plans and insurers would be required to meet.

The adoption and meaningful enforcement of timely access standards for L&D services will lower risks of adverse health outcomes for mothers and babies. SB 32 will incentivize health plans to contribute more

meaningfully to solutions. In addition, an L&D specific standard will bring greater transparency to current gaps in access to these services.

Given the existing resources regulators have to enforce various network adequacy requirements, the costs to the state in developing and implementing this new standard should be minimal and absorbable. In the event that modest administrative resources are needed, the long-term benefits to California's mothers and babies will far outweigh the initial investment required. Improved access to in-network labor and delivery services will reduce the number of costly out-of-network claims, avoid preventable complications, and promote better maternal and infant health outcomes — ultimately lowering overall health care costs.

For these reasons, **CHA requests your “YES” vote on SB 32.**

CHA appreciates the author's leadership and looks forward to further collaboration on this important issue.

Sincerely,



Vanessa Gonzalez
Vice President, State Advocacy

cc: The Honorable Akilah Weber Pierson, M.D.
The Honorable Members of the Senate Appropriations Committee
Agnes Lee, Principal Consultant, Senate Appropriations Committee
Tim Conaghan and Joe Parra, Health Policy Consultants, Senate Republican Caucus