



May 10, 2024

The Honorable Buffy Wicks
Chair, Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, CA 95814

SUBJECT: AB 1895 (Weber) – CONCERNS

Dear Assembly Member Wicks:

Hospitals cherish their role in helping to bring new lives into the world. Nearly everyone knows the name of the hospital where they were born. The recent closures of labor and delivery (L&D) units in California and across the nation is deeply concerning.

This is why the California Hospital Association (CHA), on behalf of more than 400 hospital and health system members, is committed to continue working with Assembly Member Weber (D-La Mesa) on Assembly Bill (AB) 1895.

A combination of causes including declining birth rates, low Medi-Cal reimbursements, shortages of physicians, nurses, and other clinical professionals is leaving some hospitals with no choice but to close maternity care services. CHA will continue working with Dr. Weber and the Legislature on policy changes and payment reform that can improve access to care.

As currently drafted, AB 1895 would require hospitals that provide maternity care services and have determined that the maternity care service is *at risk* of closure in the next 12 months, to report specified information to the California Department of Health Care Services, the Department of Health Care Access and Information (HCAI), the California Department of Public Health (CDPH), the chair of the Senate Committee on Health, and the chair of the Assembly Committee on Health. The information reported is intended to stay private.

CHA supports transparency and understands the desire for earlier notification on L&D closures. However, hospitals already provide a 90-day public notification and a 90-day notification to CDPH when closing or reducing a service. Hospitals typically do not know 12 months in advance that they may need to close an L&D unit. There are many factors hospitals must consider when making this difficult decision; however, it is often an unforeseen circumstance that ultimately pushes the hospital to decide to close its L&D unit.

CHA is concerned that notification of *potential* closures would exacerbate the existing challenges as health care providers and staff leave their jobs after learning that a facility is at risk of closure and prospective patients would be dissuaded from seeking care at a facility that may close, resulting in

diminished patient volume. To help address these concerns, CHA suggests replacing the requirement that hospitals report that their L&D unit is “at risk of closure” and instead report that the L&D unit is “experiencing challenges.”

Most of the data hospitals would be required to report is already submitted to HCAI annually or quarterly and is publicly available. A more efficient approach could direct HCAI to annually submit a report to the Legislature highlighting the data points requested in this bill to which HCAI already has access.

We appreciate the ongoing discussions with the author’s office and the bill sponsors to address these and other technical concerns and look forward to continued collaboration.

Sincerely,



Vanessa Gonzalez
Vice President, State Advocacy

cc: The Honorable Akilah Weber, MD
The Honorable Members of the Assembly Appropriations Committee
Allegra Kim, Consultant Assembly Health Committee
Joe Shinstock, Consultant, Assembly Republican Caucus