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June 9, 2025

The Honorable Caroline Menjivar, Chair Senate Health Committee 1021 O Street, Room 3310 Sacramento, CA 95814

RE: AB 55 (Bonta) Alternative birth centers: licensing and Medi-Cal reimbursement—SUPPORT

Dear Chair Menjivar:

Local Health Plans of California ("LHPC") is a statewide trade association representing all 17 of California's not-for-profit and community-based health plans, which collectively cover 70% of the state's Medi-Cal managed care enrollees, nearly 9.7 million Californians. We write today to express our support for AB 55 (Bonta) Alternative birth centers: licensing and Medi-Cal reimbursement. Local plans are dedicated to ensuring that their members have access to high quality maternal care but an acceleration of maternity ward closures in recent years has created significant challenges, particularly in California's rural communities. AB 55 helps to expand access to maternity care by removing historical barriers to licensing and Medi-Cal reimbursement for alternative birth centers.

To be licensed and receive reimbursement through the Medi-Cal program alternative birth centers were required to offer a suite of services provided within the Comprehensive Perinatal Services Program (CPSP), a Medi-Cal benefit that provides culturally competent care to pregnant individuals from conception to 60 days postpartum. This has historically acted as a barrier for midwife-run facilities that provide labor and delivery care outside of the hospital setting, leading to closures across California and further exacerbating the issue of a growing number of maternity care deserts throughout the state. Since 2012, at least 56 labor and delivery units have closed throughout the state. In 2024 alone, seven hospitals shut down maternity wards with others announcing their intention to close. In an environment where it has become difficult for hospitals maternity wards to remain open, the role of alternative birth centers in the care of expecting parents becomes increasingly important.

AB 55 will help to ensure the sustainability of alternative birth centers by removing barriers to licensure and Medi-Cal reimbursement.

LHPC is proud to support AB 55 and urges the committee's "aye" vote to ensure that Medi-Cal members and communities throughout California have access to the care offered by alternative birth centers.

Sincerely,

Katie Andrew

Director of Government Affairs, Quality & Behavioral Health

Local Health Plans of California

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cc: Senator Mia Bonta

Members, Senate Health Committee