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Breanna Pineda, Program Coordinator

April 2, 2025

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

RE: SB 669 (McGuire) Rural hospitals: standby perinatal medical services—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 SB 669 (McGuire) Rural hospitals: standby perinatal medical services. 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. SB 669 (McGuire) provides a creative solution to address the maternity care needs of California's rural communities.

Due to declining birth rates and labor shortages, the number of maternity care deserts, areas where there is a lack of access to birthing hospitals, birth centers offering obstetric care, or obstetric providers, has continued to increase throughout California forcing expecting parents to travel further to seek care. 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. The national data is clear: those living in maternity care deserts have poorer health outcomes, including higher rates of preterm birth. This is perhaps most pronounced in rural communities where travel time to the nearest available labor and delivery unit can be quite lengthy, increasing the risk of poorer health outcomes for mother and baby, including stillbirth and NICU admissions.

SB 669 (McGuire) provides a solution for rural communities by requiring the California Department of Public Health to establish a 5-year pilot program to

allow critical access and rural hospitals to establish standby perinatal medical services. This pilot program will allow rural communities, where the nearest hospital providing full maternity services is over an hour of travel time, to have access to perinatal services closer to home.

LHPC is proud to support SB 669 (McGuire) and urges the committee's "aye" vote to ensure that rural communities throughout California have access to important and necessary perinatal care.

Sincerely,

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cc: Senate ProTem Mike McGuire Members, Senate Health Committee