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April 21, 2015

Assemblymember Christina Garcia
State Capitol
Sacramento, CA 95814

Dear Assemblymember Garcia:

Thank you for providing leadership in getting better health care for women and children. Today, maternity care represents the second largest areas of health care spending for commercial employers, yet, despite rising costs, babies and mothers are not experiencing better health outcomes. PBGH would support AB 508 if amended to include making the information publicly available.

The Pacific Business Group on Health (PBGH) is one of the nation's leading non-profit business coalitions focused on health care. PBGH works on many fronts to improve the quality and affordability of health care, often in close partnership with health insurance plans, physician groups, hospital systems, and consumer organizations. We leverage the power of our 50 large purchaser members representing a wide range of industries who spend 12 billion dollars annually in California to provide health care coverage to more than 3 million employees, retirees and dependents.

Over the past ten years, US birth costs have increased by 50%, C-section rates have risen nearly 60%, and maternal mortality and morbidity rates have doubled. Of particular concern is the extreme variation in maternity quality care. For example, California's Nulliparous Term Singleton Vertex C-section rate is currently 28%, well above the 2020 benchmark of 24% set forth in the Healthy People report issued by the Surgeon General. Only 37% of California hospitals meet this guideline, and the rate ranges from a low of 13% to a high of 83%. Moreover, purchasers pay \$10,000 more for a C-section than a normal vaginal birth.

Our members and their employees are a growing audience for information on health care value. As our members respond to the alarming growth in health care spending, their employees are taking on a greater share of the costs through arrangements such as high deductible health insurance plans. To navigate an environment where they are no longer shielded from the costs of their care, they also need reliable information on quality and cost of health care services to choose the best value. Expanding the provisions of AB 508 to include public reporting on all providers will not only help purchasers and employees make better decisions, it will increase the pace of quality improvement which is central to this bill. Public reporting of comparative maternity performance, for both hospitals and physicians, is essential for reinforcing professional motivation for quality improvement and accountability, guiding patient choice, and giving information to purchasers, health plans and others to guide contracting, tiering, benefit design, and pay-for-performance programs.

Information on how well maternity care is provided is important to both improving quality and addressing escalating health care costs in California. With the inclusion of public reporting, AB 508 would represent a strong commitment to both better care and better information. We greatly appreciate your leadership in this endeavor.

Sincerely,

A handwritten signature in blue ink, appearing to read "David J. Lansky". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

David J. Lansky, PhD
President & CEO