Office of Senate Floor Analyses
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THIRD READING

Bill No: AB 55
Author: Bonta (D)
Amended: 5/29/25 in Senate
Vote: 21

SENATE HEALTH COMMITTEE: 9-0, 6/11/25
AYES: Menjivar, Valladares, Durazo, Grove, Limón, Padilla, Richardson, Rubio, Wiener
NO VOTE RECORDED: Gonzalez, Weber Pierson

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 75-0, 4/28/25 - See last page for vote

SUBJECT: Alternative birth centers: licensing and Medi-Cal reimbursement

SOURCE: American Association of Birth Centers – California Chapter
Black Women for Wellness Action Project
California Association of Licensed Midwives
California Black Women's Health Project
California Nurse-Midwives Association
Western Center on Law & Poverty, Inc.

DIGEST: This bill repeals the requirement that licensed alternative birth centers be certified as a Comprehensive Perinatal Services Provider, and the requirement that the alternative birth center be located within 30 minutes of a hospital with the capacity for the management of obstetrical and neonatal emergencies, and instead requires a written policy for hospital transfer that ensures all medical records are provided at the time of transfer, and that patients are informed of the estimated transfer time to the planned receiving hospital.

ANALYSIS:

Existing law:

1) Licenses and regulates clinics by the California Department of Public Health (CDPH), including primary care clinics and specialty clinics. Includes alternative birth centers (ABCs) as a category of specialty clinic, defined as a clinic that is not part of a hospital and that provides comprehensive perinatal services and delivery care to pregnant women who remain less than 24 hours at the facility. [Health and Safety Code (HSC) §1200, et seq. and §1204(b)]

2) Establishes the Comprehensive Perinatal Services Provider (CPSP) program as a benefit under the Medi-Cal program, and requires a CPSP to ensure the provision of the following services either through the provider's own service or through subcontracts or referrals to other providers: psychosocial assessments and when appropriate referrals to counseling; nutrition assessments and when appropriate referral to counseling on food supplement programs, vitamins, and breastfeeding; and, health, childbirth, and parenting education. [Welfare and Institutions Code (WIC) §14134.5]

3) Requires an ABC, as a condition of licensure, to meet all of the following requirements:

    a) Be a certified CPSP provider, as defined in provisions of law governing Medi-Cal;
    b) Maintain a quality assurance program;
    c) Meet the standards for certification established by the American Association of Birth Centers, or equivalent standards as determined by CDPH;
    d) In addition to the standards of the American Association of Birth Centers regarding proximity to hospitals and presence of attendants at birth, meet both of the following requirements:
        i) Be located in proximity, in time and distance, to a facility with the capacity for management of obstetrical and neonatal emergencies, including the ability to provide a cesarean section delivery, within 30 minutes from time of diagnosis of the emergency; and,
        ii) Have the presence of at least two attendants at all times during birth, one of whom is required to be a physician, a licensed midwife, or a certified nurse-midwife. [HSC §1204.3]

4) Licenses and regulates licensed midwives to attend cases of normal pregnancy and childbirth, as defined, and to provide prenatal, intrapartum, and postpartum care. Requires a licensed midwife to disclose to a prospective client, and obtain

informed consent for specified provisions, including that there are conditions that are outside of the scope of practice of a licensed midwife that will result in a transfer of care to a physician, and the specific arrangements for the referral of complications to a physician. [Business and Professions Code (BPC) §2505, et seq. and §2508]

5) Licenses and regulates certified nurse-midwives, to attend cases of low-risk pregnancy and childbirth, as defined, and to provide prenatal care, intrapartum care, and postpartum care, family planning care, and care for common gynecological conditions, consistent with core competencies adopted by the American College of Nurse-Midwives. Requires a certified nurse-midwife to disclose and obtain informed consent for specified provisions, including that there are conditions outside the scope of practice of a certified nurse-midwife that will result in a referral to a physician, and the specific arrangements for the referral of complications to a physician. [BPC §2746, et seq. and §2746.54]

This bill:

1) Repeals a requirement that a licensed ABC be certified as a CPSP provider as a condition of licensure, and as a condition of eligibility for Medi-Cal reimbursement.

2) Requires the licensed ABC, instead of certification as a CPSP provider, to provide pregnancy and postpartum services, including, but not limited to, psychosocial assessments, nutritional assessments, and overall health, childbirth, and parenting education, consistent with the standards of the midwifery and birth center model of care.

3) Repeals the requirement that a licensed ABC, as a condition of licensure, be located in proximity, in time and distance, to a facility with the capacity for management of obstetrical and neonatal emergencies, including the ability to provide cesarean section delivery, within 30 minutes from time of diagnosis of the emergency.

4) Requires a licensed ABC, instead of the time and distance standard of 30 minutes from a hospital that is being repealed pursuant to 3) above, to have a written policy for hospital transfer that includes both of the following:

   a) A requirement that at the time of transfer the certified nurse-midwife or licensed midwife, who was responsible for the patient's or client's care

immediately prior to the time of transfer, provide the hospital all of the transferred patient's or client's medical records that are available at the time of the transfer, including prenatal records, and speak with the receiving provider who is responsible for the patient's or client's hospital care at the time of transfer, about labor up to the point of the transfer, including any information that has not yet been added to the medical record. Requires other records that are not yet available or included in the medical record to be sent as soon as practicable after transfer; and,

b) A requirement that all patients and clients be informed of the estimated transfer time, which is the expected duration from departure from the birth center to arrival at the planned receiving hospital. Requires this information to also include a clear explanation of the birth center's overall emergency transfer plan, including specified measures in place to mitigate any risk associated with distance from the planned receiving hospital and to ensure safe transfer for both pregnant person and fetus or neonate.

Comments

According to the author of this bill:

> California continues to struggle to address concerning trends in maternal health. Particularly worrisome is that ABCs, which have been found to improve newborn and maternal health outcomes, have continued to close across the state. Eliminating requirements that are only driving up prices for providers and are irrelevant to patient safety is a much-needed step to ensure our remaining birth centers can stay afloat and lay the groundwork for more facilities to open. The author states that this bill is particularly important for combatting the worsening maternal health trends under our current system that are disproportionately impacting Black and Indigenous pregnant patients, and that could be better addressed by accessible, culturally concordant care.

Background

Background provided by the author. Currently, twelve counties, most of them rural, do not have any hospitals delivering babies. Current law mandates that ABCs must be CPSP providers, which requires them to be Medi-Cal providers. This requirement is burdensome for ABCs that do not serve Medi-Cal patients and significantly delays the licensure process. Furthermore, birth center owners who intend to serve Medi-Cal patients report that the CPSP requirement unnecessarily duplicates practices already included in the midwifery model of care that exceeds CPSP standards.

When maternity wards close, ABCs that are no longer within 30 minutes of a maternity ward lose their licensure status (and new birth centers cannot acquire licensure in those poor resourced areas as long as a maternity hospital is not nearby). Furthermore, with the closure of maternity wards, prenatal and postpartum care providers typically disappear from those areas. The American Association of Birth Centers, recognized as a leading authority on safety and high-quality care in freestanding birth centers, recommends that: "transfer time not be specified but that transfer guidelines focus on having transfer plans in place. There is no data demonstrating that a specific distance from a birth center to a hospital is required for optimal outcomes. Setting a limit on transport time from midwifery birth centers to hospitals is arbitrary and not based on evidence. The Commission for Accreditation of Birth Centers requires that transfer plans be in place and that evidence-based guidelines be followed when hospital transfers are necessary. Imposing this arbitrary transfer limit will negatively affect access to care for rural women who may prefer a birth center closer to their community than the nearest obstetric hospital."

ABCs. According to the American Association of Birth Centers (AABC), the birth center is a healthcare facility for childbirth where care is provided in the midwifery and wellness model, and which is freestanding and not a hospital. AABC notes that while the practice of midwifery and the support of physiologic birth and newborn transition may occur in other settings, this is the exclusive model of care in a birth center. California law defines an ABC as a clinic that is not part of a hospital and that provides comprehensive perinatal services and delivery care to pregnant women who remain less than 24 hours at the facility. It is important to note that while someone who operates a birthing location can choose to become licensed as an ABC (whether as a specialty clinic or a service of a primary care clinic), a licensed midwife, certified nurse-midwife, or physician can also provide services, including childbirth, in an "exempt from licensure" setting. The clinic licensure law specifically states that "any place or establishment owned or leased and operated as a clinic or office by one or more licensed health care practitioners and used as an office for the practice of their profession, within the scope of their license" is exempt from the requirement to obtain licensure as a clinic. However, the type of births that can happen in an ABC, whether licensed or not, are limited by the scope of practice of the professional assisting the birth. Licensed midwives and certified nurse-midwives are limited to normal and low-risk pregnancies, as these are defined.

According to CDPH's website, there are seven licensed ABCs, however, at least

one of these has closed even though the license is still active, and another ABC provides all services except for actual childbirth at the ABC location, and partners with a hospital for deliveries. AABC-California, the California Nurse-Midwives Foundation, and Midwifery Access California, joined together to produce a document on the Status of Freestanding Birth Centers in California, which is updated as of April of 2025. According to this document, there are five licensed ABCs in California, plus another 29 freestanding birth centers that are exempt from licensure. Between 2020 and 2025, there has been a 40% reduction in the number of freestanding birth centers (combination of both licensed ABCs and unlicensed birth centers), with 25 birth centers closing over that span. According to this document, the primary factors contributing to these closures include reimbursement issues, staffing challenges, and difficulties obtaining facility licensure. Without a license, reimbursement is much lower, if the birth center is able to obtain insurance reimbursement at all. The majority of freestanding birth centers are therefore self-pay.

A number of studies have demonstrated that midwifery-based birth centers have good outcomes. A study published in Health Services Research in September 2023 compared women with low risk for perinatal complications who received care in the midwifery-based birth center model versus hospital-based care. The study found that women receiving birth center care experienced lower rates of cesarean section, lower rates of low birth weight, lower rates of neonatal death, and higher rates of breast feeding, and that the analysis supports midwifery-based birth center care as a high-quality model that delivers optimal outcomes for low–risk births.

Sharp increase in maternity unit closures. On November 15, 2023, CalMatters published an investigative story focusing on the increase in maternity unit closures in California, titled "As Hospitals Close Labor Wards, Large Stretches of California Are Without Maternity Care." According to this report, from 2012 to 2019, at least 19 hospitals stopped offering labor and delivery services (six of those were because the hospitals closed completely). In an acceleration, 16 more closed maternity services from 2020 to 2022. By the time of publication, 11 more had announced maternity closures in 2023, including one hospital that closed completely (Madera Community Hospital). CalMatters reported that after El Centro Regional Medical Center closed its maternity service in January of 2023, Imperial County was left with only one hospital doing births for the approximately 2,500 babies born every year in Imperial County. In total, according to CalMatters analysis, at least 46 California hospitals have shut down or suspended labor and delivery since 2012, and 27 of those have taken place in the last three years. Twelve rural counties do not have any hospitals delivering babies, and Latino and

low-income communities have been hit hardest by losses. CalMatters noted that the closures come as the country and state contend with a maternal mortality crisis, with pregnancy-related deaths reaching a ten-year high in 2020 in California.

The CalMatters report stated that hospital administrators cite a number of reasons for the closures, including high costs, labor shortages, and declining birth rates. In the past 30 years, the number of births have dropped by half in California, and the birth rate is at its lowest level on record. CalMatters noted that the trend is not unique to California, with labor and delivery units closing across the country. Many closures result from hospital systems consolidating maternity care into one location, which hospitals argue can help maintain staff training and provide a higher level of care. According to CalMatters, labor and delivery units are often the second-most expensive department for hospitals to run, second only to emergency rooms, and quoted a health researcher as stating that obstetrics units are often unprofitable for hospitals to operate.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

- CDPH estimates minor and absorbable costs for licensing activities related to alternative birth centers.

- Unknown potential costs (General Fund and federal funds) related to Medi-Cal reimbursements for alternative birth centers.

SUPPORT: (Verified 7/30/2025)

American Association of Birth Centers – California Chapter (co-source)
Black Women for Wellness Action Project (co-source)
California Association of Licensed Midwives (co-source)
California Black Women's Health Project (co-source)
California Nurse-Midwives Association (co-source)
Western Center on Law & Poverty, Inc. (co-source)
Alliance of Californians for Community Empowerment
American College of Obstetricians and Gynecologists District IX
American Nurses Association/California
Around-Birth Collective
Asian Americans Advancing Justice – Southern California
Bay Area Legal Aid
Black Women Organized for Political Action

California Black Health Network
California Black Power Network
California Catholic Conference
California Health Coalition Advocacy
California Latinas for Reproductive Justice
California LGBTQ Health and Human Services Network
California Medical Association
California Native Vote Project
California Pan-Ethnic Network
California Physician's Alliance
California WIC Association
California Women's Law Center
Californians for the Advancement of Midwifery
Citizens for Choice
Community Legal Aid SoCal
Courage California
End Child Poverty California
Essential Access Health
First 5 California
Green Policy Initiative
Having Our Say Coalition
Health Access California
Hispanas Organized for Political Equality
If/When/How: Lawyering for Reproductive Justice
Indivisible CA: StateStrong
Initiate Justice
LA Best Babies Network
Latino Coalition for a Healthy California
Local Health Plans of California
National Health Law Program
Neighborhood Legal Services of Los Angeles County
Planned Parenthood Affiliates of California
Public Law Center
Reproductive Freedom for All California
San Francisco Bay Area Black & Jewish Unity Coalition
South Sacramento Christian Center
United Nurses Association of California / Union of Health Care Professionals
One individual

OPPOSITION: (Verified 7/30/2025)

None received

ARGUMENTS IN SUPPORT: Western Center on Law and Poverty, Black Women for Wellness Action Project, California Black Women's Health Project, California Nurse-Midwives Association, American Association of Birth Centers – California Chapter, and the California Association of Licensed Midwives are the co-sponsors of this bill. They state that, according to data collected by CalMatters, 56 hospitals in California, accounting for 16% of all general acute care hospitals in the state, have stopped attending births since 2012; more than half of these facilities have shuttered services entirely within the last four years. As a result, large areas of California are without access to birthing facilities or perinatal care providers. The co-sponsors note that the absence of access to perinatal care has disproportionately harmed California's low-income, Black, Latinx, Indigenous, and rural communities, which experience higher rates of adverse birth outcomes. When maternity wards close, particularly in rural counties, birthing people receive less prenatal care, and rates of preterm birth increase. Freestanding birth centers provide a safe perinatal care option for low-risk birthing people while also addressing maternity care deserts. Birth centers specialize in childbirth and care for patients with uncomplicated pregnancies in an environment that is less restrictive and more home-like than a hospital. Birth centers have an established safety record, as documented in studies of birth center care in the United States. In 2018, the Centers for Medicare & Medicaid Services published findings from their Strong Start for Mothers and Newborns initiative, which evaluated the effectiveness of three different models of care, including birth centers, to provide enhanced prenatal care to Medicaid beneficiaries. Birthing people who received prenatal care at a birth center had half the national rates of preterm birth, low birth weight, and cesarean sections. The co-sponsors also point to recent studies in Washington, which found that delivery in a freestanding birth center for low-risk individuals is as safe as hospital delivery, with comparable rates of perinatal mortality to those used by the American College of Obstetricians and Gynecologists as benchmarks for safe hospital births. Yet current outdated and obstructive licensing requirements in California are impeding birth centers' ability to obtain licensure, presenting a significant barrier to providing access for birthing people, including those designed to serve low-income and communities of color. For example, existing law requires an ABC to be a CPSP, which prevents many birth centers from obtaining state licensure. Birth center owners report that the CPSP requirement unnecessarily duplicates practices already included in the midwifery model of care. Another example of a barrier in current law is the requirement that birth centers be located in proximity, in time and distance, to a facility with the capacity for management of obstetrical and neonatal emergencies,

including the ability to provide cesarean section delivery, within 30 minutes from the time of diagnosis of the emergency. The AABC recommends that transfer time not be specified but rather that transfer guidelines focus on having transfer plans in place. AABC research shows no data demonstrating that a specific distance from the birth center to the transfer hospital is required for optimal outcomes, and, that setting a time limit is arbitrary.

The American College of Obstetricians and Gynecologists District IX (ACOG) states in support that it is appreciative of recent amendments that include specific written hospital transfer protocols which are critical to preserving continuity of care and minimizing risk in maternal emergencies., which include provision of complete medical records at the time of transfer, information to patients regarding estimated transfer times, and a clear outline of the emergency mitigation measures. By establishing these critical safeguards, this bill ensures California families have access to safer, well-regulated birthing options while addressing inequities in maternal healthcare access. The California Medical Association also supports this bill, for similar reasons.

ASSEMBLY FLOOR: 75-0, 4/28/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Arambula, Ellis, Flora, Sanchez

Prepared by: Vincent D. Marchand / HEALTH / (916) 651-4111
8/29/25 20:24:11

****** END ******