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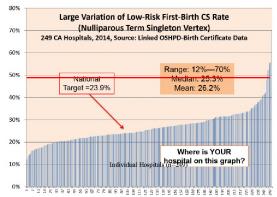
January XX, 2016

Dear Hospital Leader,

The three largest purchasers of health care for the State of California, the Department of Health Care Services (DHCS), the California Public Employees' Retirement System (CalPERS), and Covered California, provide health care to approximately 17 million Californians and cover well over half of the births in the state. Together with the California Health and Human Services Agency (CHHS) and the Department of Public Health (CDPH), we are collaborating on an important state and national issue: Reducing inappropriate Caesarean deliveries (C-sections). California hospitals' wide variation of 12 percent to 70

percent (statewide average 26.2 percent) in riskadjusted low-risk C-section rates concerns us as payers and population health experts. The graphic on the right illustrates the range of hospital C-section rates throughout California.

We are committed to bringing each California hospital's low-risk first pregnancy C-section rate in line with the national risk-adjusted Healthy People 2020 target of 23.9 percent. Not only would reducing the rate of first-birth C-sections reduce the



risk of complications, it also reduces the likelihood of a second or more C-section. It would also reduce the cost of births to the health system. There are approximately 500,000 births annually in California and payments average \$5,000 more per C-section versus vaginal birth. If the state C-section rate is decreased by 1 percent, 5,000 C-sections would be avoided annually. We are partnering with the California Maternity Quality Care Collaborative (CMQCC), the California Health Care Foundation (CHCF), and clinical leadership across the state to implement a quality improvement initiative at hospitals with C-section rates above the national average. DHCS, CalPERS, and Covered California will also regularly update their members regarding which hospitals should be recognized for submitting data to CMQCC, participating in quality improvement, and achieving target C-section rates.

Your hospital has taken the first step in being one of 157 of the 250 hospitals in California with maternity service lines who have joined CMQCC. <u>Our goal is 100% participation of California maternity hospitals.</u> We hope you are taking full advantage of all CMQCC has to offer. Working with CMQCC, hospitals have improved the quality of care they provide. Many already reduced the incidence of major maternal complications and their C-section rates among low-risk births by an average of 20 percent using CMQCC data. CMQCC provides rapid feedback, benchmarking, and analysis for measures using data that is only 45 days old.

CMQCC has reduced the reporting burden for hospitals and the California HealthCare Foundation has committed to funding CMQCC through December 2016. Labor & Delivery (L&D) and Quality Managers routinely laud CMQCC as vastly simplifying their ability to track quality and patient safety. In the words of one user: "I feel like I have a secret weapon in the [CMQCC] and that I could not do my job as efficiently and completely without it." As a hospital leader, you are critical to putting CMQCC in the hands of L&D Managers, Quality Managers, and Clinicians.

We are pleased that Hospital Name has joined statewide efforts to improve perinatal and maternal health by joining CMQCC. We look forward to working with you.

By working together, we can reduce C-section rates to eliminate unwarranted variation and improve the health of mothers and infants. Please send any questions to Anne Castles at CMQCC (626-639-3044 or acastles@cmqcc.org).

Sincerely,

Neal D. Kohatsu, MD, MPH Medical Director

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