



June 12, 2024

The Honorable Richard Roth  
Chair  
Senate Health Committee  
1021 O Street  
Suite 7510  
Sacramento, CA 95814

The Honorable Thomas Umberg  
Chair  
Senate Judiciary Committee  
1021 O Street  
Suite 6530  
Sacramento, CA 95814

**RE: AB 3129 (Wood) Health Care Consolidation and Contracting**

**POSITION: Oppose**

Dear Chairs Roth and Umberg:

I am writing to you on behalf of Ivy Fertility to respectfully oppose AB 3129.

Ivy Fertility is a reproductive care provider with affiliated clinics located in Irvine, Encino, Los Angeles, Mountain View, Westminster, Redondo Beach, Temecula and San Diego. Our clinics are home to some of the world's leading Reproductive Endocrinologists ("REIs") and their practices help ensure that California parents have access to high quality reproductive care at a time where demand for fertility treatments is increasing and delays in access to care can have a significant negative impact on treatment outcomes. Notably, our clinics also serve as a reproductive rights sanctuary for prospective parents from outside of California whose state's or country's laws limit or eliminate their access to reproductive care.

Our clinics help intended parents build families who otherwise would not be able to do so, including LGBTQ+ intended parents, cancer survivors and single parents. Our practices which service patients who travel significant distances to visit our clinics have delivered care resulting in over 8,760 babies being produced since 2021.

**Private Investment in Clinics and Laboratories Benefits Patients and Providers by increasing access to care and improving outcomes through investing in facilities, training and technology**

Ivy Fertility's physicians operate with a Management Services Organization ("MSO") partner to help expand our ability to offer the highest quality reproductive health care services and manage our considerable administrative, and billing needs. Since 2021, the MSO has invested over \$12 million dollars in Ivy. The investment has helped develop two full-service clinics including embryology laboratories, increasing capacity for REI's and reduced wait times for patients in some cases from 6 months in 2022 to currently 2 weeks. Ivy Fertility's MSO plans to make additional investments totaling over \$10 million dollars in clinics in Seal Beach, Torrance, and San Diego, amongst others, in the near future, providing further access to care for patients in these



communities. In addition, over the last three years, the Ivy Fertility MSO has invested over \$400,000 in laboratory security providing improved emergency power sources and monitoring equipment in all Ivy clinic locations in California.

The MSO's partnership is helping Ivy's physicians improve clinical outcomes. While all Ivy affiliated practices maintain clinical independence at all times, the MSO supported platform provides access to experienced shared resources in functions ( laboratory, human resources, information technology, marketing, compliance, accounting and others) that enable our affiliated practices and their clinical professionals to focus on the clinical needs of their patients to achieve better outcomes and patient experiences. Individual practices that are now Ivy affiliated practices did not have and could not afford the high-quality resources that the Ivy Fertility MSO now provides them to improve their practices. With the financial and technological support of the Ivy Fertility MSO, Ivy Fertility affiliated practices now share a common platform to report anonymous clinical data, enabling all physicians and clinics to benchmark against Best-of Practices. And most recently, the Ivy affiliated practices and the Ivy Fertility MSO collaborated in the development of a patient access portal that provides patients with ease of access to their providers and information. These initiatives enable clinical providers to meet increasing demands for reproductive services and to achieve better outcomes and patient experiences in doing so. Initiatives like these would not have been possible for these practices to achieve, without both the financial capacity and technical capabilities of the Ivy Fertility MSO.

The partnership has also made reproductive care more affordable, which is especially important since there is no insurance coverage mandate for reproductive care in California. Ivy Fertility employs payor relations experts to assist clinics and patients with the cost of reproductive care. The result has been a 15 percent reduction in out-of-pocket medication costs and an 18 percent reduction in the cost of some procedures with certain payors.

### **AB 3129 Limits Essential Partnership for Reproductive Health Facilities**

Ivy's physicians have been surprised to watch how quickly AB 3129 has advanced through the legislative process with seemingly little deliberation on the practical impacts that the bill would have on California's already stressed health care system. In the case of Reproductive Endocrinology ("RE"), the MSO model in conjunction with California's strong Corporate Practice of Medicine laws have resulted in greater access to reproductive care. In the absence of such arrangements, it is unclear to us what would take their place. Ivy's affiliated physicians and related health care professionals would be forced to seek funding from elsewhere. The only available options would be large vertically integrated insurance payers who dominate markets, or hospital systems, many of whom even in the major metropolitan areas of our state have chosen not to invest necessary resources to support RE. Both options lack the expertise to provide the level of RE care that Ivy Fertility affiliated practices and other capable and financially backed practices provide. We would assume that ensuring access to care, quality outcomes, retaining leading REI's in California and cost containment would be major policy concerns for the legislature. AB 3129 in our opinion ignores all of these important issues, at least with respect to reproductive care in California.



The MSO partnership is particularly important for REI given the major financial barriers to entry in our field. Today, to our knowledge only three academic hospitals offering in vitro fertilization (“IVF”) programs in California remain in operation.<sup>1</sup> All other IVF programs including UCLA, USC, UCSD, and Cedars Sinai rely on partnerships with privately backed IVF practices to utilize their embryology laboratories that are essential to the provision of RE services and to provide patient care as well as to support train physicians in their RE fellowship programs.

REI is a highly specialized and capital-intensive field within the practice of medicine. Only around 40-50 REI fellows graduate each year in the United States, many of whom remain in academia or research, and do not enter private practice. REIs who choose to pursue private practice often start with very significant student loan debt after the 14-15 years of required higher education.

At the same time, IVF Centers are very expensive to build given the costly lab equipment needed and the rigorous standards imposed by the FDA and other regulatory bodies. Depending on the location, the costs of a full-service facility (laboratory, surgery center and clinic) and its equipment can run as high as \$10+ million dollars. All this adds up to one simple truth: to provide the reproductive health care that patients rightfully need requires highly trained physicians and scientists, specialty facilities that are expensive to build and maintain, and investment in new advances in technology and the science. Neither our California resident physicians, nor our California public hospital systems and institutions have the resources alone to provide these needed, time sensitive services to the many Californian’s that desire to create their families.

### **AB 3129 Threatens Access to Reproductive Health Care**

Ivy Fertility affiliated physicians are concerned about the implications AB 3129 would have on access to reproductive care. Eliminating our MSO partnership would challenge our clinics’ abilities to meet patient demands and help more aspiring parents build families who would otherwise not be able to do so. Given Californian’s increasing demands for reproductive care and the current threats to reproductive care across the country, it is imperative that California protect these physician clinical facilities and the MSO partnerships that make them possible.

Upon review of alternative methods to achieve the state's core objectives, we believe that the Office of Health Care Affordability (OHCA) offers a promising avenue for gaining a deeper understanding of the potential drivers affecting the cost and quality of health care. Considering this, we suggest that the legislature enable the OHCA to collect comprehensive data to thoroughly analyze the health care market and formulate policies grounded in robust evidence. Consequently, AB 3129 lacks the necessary data to substantiate its policy proposal, and its implementation could potentially jeopardize Californian's access to reproductive health care which would be tragic for countless prospective parents and their loved ones in our state.

For all the above reasons, we must respectfully oppose AB 3129.

---

<sup>1</sup> UCSF, Stanford, Kaiser Northern California



Sincerely,

A handwritten signature in blue ink that reads "Lisa Van Dolah".

Lisa Van Dolah  
Chief Executive Officer  
Ivy Fertility

cc: The Honorable Jim Wood  
Members, Senate Health Committee  
Members Senate Judiciary Committee  
Teri Boughton, Principal Consultant, Senate Health Committee  
Joe Parra, Consultant, Senate Republican Caucus  
Amanda Mattson, Counsel, Senate Judiciary Committee  
Morgan Branch, Consultant, Senate Republican Caucus