



July 11, 2025

The Honorable Scott Wiener
Chair, Senate Budget and Fiscal Committee
1021 O Street, Suite 8620
Sacramento, CA 95814

SUBJECT: AB 104 (Gabriel) — Budget Act of 2025 — SUPPORT

Dear Senator Wiener:

Every day, hospitals in California serve as vital safety-net providers for medically underserved populations, particularly in rural communities where access to health care is limited. These hospitals rely heavily on state and federal partnerships to sustain critical services for Medi-Cal beneficiaries and the uninsured.

For this reason, the California Hospital Association (CHA), on behalf of nearly 400 hospitals and health systems statewide, strongly supports AB 104 Section 1 which extends the repayment period for loans issued through the Nondesignated Public Hospital Bridge Loan Program, administered by the California Health Facilities Financing Authority.

This provision offers essential financial relief to hospitals facing persistent financial strain due to their rural and underserved service areas. These hospitals received loans under the loan program to stabilize operations and maintain care access. However, due to extraordinary fiscal pressures — including rising labor and supply costs, Medi-Cal underpayments, and pandemic-related disruptions — they have not been able to meet the original repayment deadlines.

AB 104 strikes an appropriate balance between protecting state resources and recognizing the operational realities of financially distressed public hospitals. Extending the repayment period ensures these providers can remain solvent and continue delivering critical services — including emergency care, maternal health, and psychiatric care — to some of the state's most vulnerable patients.

CHA believes this provision is both fiscally responsible and mission-driven — aligning with California's commitment to health equity and access for all communities.

For these reasons, CHA strongly supports AB 104 Section 1 and respectfully urges its adoption as part of the final budget package.

Sincerely,

A handwritten signature in black ink, appearing to be "M. H. H.", written over a horizontal line.

Mark Farouk
Vice President, State Advocacy

cc: The Honorable Jesse Gabriel
The Honorable Members of the Senate Budget and Fiscal Committee
Scott Ogus, Deputy Staff Director, Senate Budget and Fiscal Committee
Anthony Archie, Consultant, Senate Republican Caucus