



May 13, 2025

The Honorable Buffy Wicks
Chair, Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, CA 95814

SUBJECT: AB 1312 (Schiavo) — OPPOSE UNLESS AMENDED

Dear Assemblymember Wicks:

California is a national leader in protecting low-income, uninsured, and underinsured residents from potentially devastating medical bills, and its hospitals are proud to provide more than \$8.8 billion per year in charity care and discounted care to low-income Californians. For many, charity care and discounted care are the only ways to access high-quality health services.

The California Hospital Association (CHA) recognizes the author's and sponsors' intent to ease the financial and emotional strain on patients who struggle or are unable to pay for medical services. For several reasons detailed below, however, **CHA — on behalf of more than 400 hospitals and health systems — opposes Assembly Bill (AB) 1312 unless it is amended.**

Not only would AB 1312 fundamentally change how hospitals administer financial assistance by requiring hospitals to screen all patients prior to discharge, but it would also automatically qualify certain patients for financial assistance without the opportunity to verify income or assess eligibility through a standard application process.

Further, AB 1312 would bypass essential steps that ensure assistance is provided accurately and fairly. With more than 50% of California hospitals operating at a financial deficit and all hospitals facing potential cuts to Medicare and Medicaid (Medi-Cal in California), financial assistance policies must be implemented with careful consideration. Any expansion must be sustainable and ensure that limited resources are directed to patients who truly need them.

Under existing law, hospitals must provide a written notice at the time of service that explains their discount payment and charity care policies, including information about eligibility and how to apply. If a patient is unconscious at the time of service, a hospital will provide the information at discharge. If a patient is not admitted, the written notice is given when the patient leaves the facility. If the patient leaves without receiving the information, a hospital mails it to the patient within 72 hours.

In addition, notices about financial assistance are posted in clear and conspicuous locations throughout hospital facilities, including in the emergency department and outpatient settings. Each hospital website

also includes information about financial assistance with a link to the hospitals' charity care and discount payment policies. Hospitals provide many touch points informing patients about financial assistance — creating a program that presumes eligibility not only discounts those efforts, but also denies a patient's right to choose whether they want to inquire about and/or receive financial assistance.

Lessons can be learned from a similar policy enacted in Oregon last year. Now that Oregon hospitals are required to pre-screen patients for presumptive eligibility, they continue to receive complaints from patients who did not want such screening due to privacy, religious, or other concerns. As with AB 1312, the Oregon statute authorized use of third-party software, which charges on a per-patient-screening basis. Not only is this costly, but Oregon hospitals have also reported that these tools yield inaccurate results — sometimes approving ineligible patients and other times rejecting those who do qualify, thus adding further risk and cost without improving outcomes.

California has been a national leader in adopting requirements to protect low-income, uninsured, and underinsured Californians from potentially devastating medical bills. CHA looks forward to working with the author's office to identify alternative ways for eligible patients to receive financial assistance without foregoing accuracy or patient choice. By doing so, California can continue to protect its most vulnerable patients.

For these reasons, **CHA opposes AB 1312 unless it is amended to address these concerns.**

Sincerely,



Vanessa Gonzalez
Vice President, State Advocacy

cc: The Honorable Pilar Schiavo
The Honorable Members of the Assembly Appropriations Committee
Allegra Kim, Principal Consultant, Assembly Appropriations Committee
Justin Boman, Consultant, Assembly Republican Caucus