



April 23, 2025

The Honorable Mia Bonta
Chair, Assembly Health Committee
1020 N Street, Room 390
Sacramento, CA 95814

SUBJECT: AB 1312 (Schiavo) — OPPOSE UNLESS AMENDED

Dear Assemblymember Bonta:

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. However, Assembly Bill (AB) 1312 would require that hospitals pre-screen and *automatically* apply financial assistance before discharge to specific patient populations— including those who are uninsured, experiencing homelessness, qualify for programs and services that assist low-income families and individuals, or will owe the hospital \$500 or more in out-of-pocket costs — and without the benefit of verifying charity care or discount payment eligibility. This bill creates a new pathway for financial assistance that bypasses hospitals' ability to verify income and offer the type of financial assistance that best suits the patient's needs and personal finances. **Therefore, CHA, on behalf of more than 400 hospitals and health systems, opposes AB 1312 unless it is amended.**

Hospitals are dedicated to offering financial assistance to those who qualify, and they make great efforts to inform patients about their charity care and discount payment policies regardless of the patient's perceived or actual financial status. Under the Hospital Fair Billing Program, hospitals provide a written notice at the time of service explaining the discount payment/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 the 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 offer 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.

On July 1, 2024, Oregon enacted a similar statute requiring hospitals to pre-screen patients for presumptive eligibility for financial assistance using income-verifying software tools. Since then, hospitals across the state have received complaints from patients either not wanting to be screened for financial assistance due to privacy concerns and/or not wanting financial assistance for religious and other reasons.

AB 1312 also contemplates the use of income-verifying software tools, which are costly to purchase, expensive to maintain, and charge a fee on a per-patient basis. Moreover, Oregon hospitals have reported less than satisfactory results from the software, including inaccurately identifying some individuals as eligible and disqualifying others who are eligible.

California has been a national leader in adopting requirements to protect low-income, uninsured, and underinsured Californians from potentially devastating medical bills. Identifying ways to make it easier for eligible patients to receive financial assistance should not be to the detriment of accuracy or patient choice.

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 Health Committee
Lara Flynn, Principal Consultant, Assembly Health Committee
Justin Boman, Consultant, Assembly Republican Caucus