



July 11, 2025

The Honorable Caroline Menjivar
Chair, Senate Health Committee
1021 O Street, Suite 3310
Sacramento, CA 95814

SUBJECT: AB 1312 (Schiavo) as amended July 8 — OPPOSE UNLESS AMENDED

Dear Senator Menjivar:

California is a national leader in protecting low-income, uninsured, and underinsured residents from potentially devastating medical bills. Its hospitals are proud to have provided more than \$2.5 billion in charity care and discounted payments, including debt forgiveness to patients.

The California Hospital Association (CHA), on behalf of nearly 400 hospitals and health systems, appreciates the author's and sponsor's willingness to work collaboratively to address our concerns. While the July 8 amendments make important progress, we **must remain opposed to AB 1312 unless it is amended to address the following provisions and accompanying concerns:**

- **Guaranteed financial assistance for patients or a family member previously determined eligible for financial assistance in the last 12 months**

A patient's or family member's income and financial status can change within a 12-month period (e.g. new job, marriage, employer-provided coverage, etc.). Automatically applying prior eligibility status risks misdirecting limited resources by either aiding those who may not need it or not aiding those who do. This provision should be removed.

- **Financial assistance screening for any patient that will owe the hospital \$500 or more after insurance and third-party adjustments**

Because a patient's needs and exact coverage are unknown upon intake, hospitals are unable to predict or calculate their out-of-pocket costs at the time of service or upon their discharge. As such, hospitals would not be able to comply with this requirement, and it should therefore be removed.

- **No option for patients to opt-out of screening**

As currently drafted, hospitals must screen all patients — there is no ability for a patient to decide whether or not they want to be screened. This lack of patient choice can compromise patient privacy and autonomy, particularly for those who may not wish to disclose or discuss their personal finances during a vulnerable time. Because patients should determine for themselves if they want to be screened, a patient opt-out provision should be included.

Additionally, CHA requests **a two-year implementation delay** so that hospitals have sufficient time to make the operational changes — such as preparing new financial assistance policies, determining workforce needs, and developing and implementing new intake and billing processes and procedures — that are necessary to ensure compliance.

With more than 50% of California hospitals operating at a financial deficit and all hospitals facing historic 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.

CHA is committed to continuing work with the author to develop practical policies that expand access to assistance without sacrificing accuracy. 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 Senate Health Committee
Vince Marchand, Principal Consultant, Senate Health Committee
Joe Parra and Tim Conaghan, Consultant, Assembly Republican Caucus