June XX, 2025

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

SUBJECT: AB 1415 (Bonta) — OPPOSE

Dear Senator Menjivar:

Californians deserve a more accessible, affordable, and equitable health care system. Making this vision a reality is the goal of all California hospitals, including <ORGANIZATION NAME>.

Unfortunately, Assembly Bill (AB) 1415 would undermine progress toward California’s goals for its health care system by empowering a new agency — the Office of Health Care Affordability (OHCA) — to continue to pursue deep, fast, and inequitable cuts to health care spending growth. **On behalf of the <XXX> patients we serve, <ORGANIZATION NAME> opposes AB 1415.**

Since its creation in 2022, OHCA has moved at a breakneck pace to set not just a five-year statewide cap on annual health care spending growth (set at 3.5% in 2025 and ramping down to 3% in 2029), but also an even stricter cap for certain hospitals. With labor, medical supplies, and drugs currently growing annually at 6%, 8%, and 10%, respectively, these cuts will force hospitals like ours to cut much-needed services. <If possible, detail the service line closures, workforce reductions, or curtailed investments that must be considered if you are to meet the existing spending caps.>

To date, OHCA has not analyzed how these caps will impact patient care.

AB 1415 doubles down on OHCA’s dangerous policy by expanding its applications to health care systems, with absolutely no understanding of the ramifications for patients. And, by expanding OHCA’s role in overseeing and slowing down transactions — even those that would reopen a facility or a service — the bill would undermine critical lifelines for hospitals, some of which would be forced to close if not for support made possible by these partnerships. Adding these regulatory impediments at the same time as Congress seeks billions of dollars in cuts from California’s already fragile health care system would only compound the risks of further hospital closures.

All hospitals and health systems, no matter how small, could be impacted. <If possible, share partnerships your hospital has made that would fall under this oversight — e.g., a partnership with a management services organization to improve operations.>

AB 1415 further sends mixed messages to health care providers, encouraging them to create significant efficiencies — but not through economies of scale or clinical partnerships. It empowers OHCA to continue pursuing drastic, fast-paced, and inequitable cuts to health care spending growth, with no regard for the devastating consequences for California patients. For these reasons, <ORGANIZATION> requests your “NO” vote on AB 1415.

Sincerely,

<NAME>

cc:        The Honorable Mia Bonta

            The Honorable Members of the Senate Health Committee

            Teri Boughton, Principal Consultant, Senate Health Committee

            Tim Conaghan and Joe Parra, Health Policy Consultants, Senate Republican Caucus