

May 15, 2026

## CHA Position: **Vote YES on AB 1923**

**To:** The Honorable Members of the California State Assembly

**From:** Mark Farouk, Vice President, State Advocacy

### **AB 1923 (Soria) — Sponsor**

Assembly Bill (AB) 1923 (Soria, D-Merced) would revitalize the Distressed Hospital Loan Program by expediting forgiveness of existing loans to protect participating hospitals from returning to financial distress, providing \$300 million for a new round of loans to struggling hospitals, and expanding program eligibility to all hospitals in significant distress.

The California Hospital Association (CHA), on behalf of nearly 400 hospitals and health systems, is proud to sponsor AB 1923. This critically important bill would:

- **Give struggling hospitals a fighting chance to continue serving their communities.** Dozens of hospitals across the state are at significant risk of closure, even before the full impact of the One Big Beautiful Bill Act (OBBBA) is realized.
- **Protect services and save jobs.** The funds would help hospitals keep their lights on, beds staffed, and services running as they implement turnaround plans for long-term sustainability. In 2025 alone, hospitals were forced to lay off 3,500 workers. Since 2018, at least 22 hospitals have closed their maternity units, leaving 12 counties entirely without hospital maternity care.
- **Prevent a cascade of closures and save lives.** The closure of a hospital endangers the lives and livelihoods of the entire community. Patients must travel farther for and wait longer for care, a dangerous scenario for those in an acute medical emergency. Neighboring hospitals become overrun and destabilized by patients they are not equipped to see.
- **Ensure the loan program is not a barrier to financial recovery for existing participants.** Cuts resulting from OBBBA and repayments from the first round of loans will push participating hospitals — those just now getting up off the ground — back into distress. AB 1923 would stop that.

**For these reasons, CHA urges your YES vote on AB 1923.**