April 9, 2026

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

SUBJECT: AB 2511 (Ahrens) — OPPOSE UNLESS AMENDED

Dear Assemblymember Bonta:

Californians deserve a health care system that meets both their physical and behavioral health care needs and our state has long been a leader in promoting parity. With hospitals facing historic financial and workforce challenges, now is not the time to create duplicative and costly data reporting requirements that do not solve access disparities between physical and behavioral health care.

That's why the California Hospital Association (CHA), on behalf of nearly 400 hospitals and health systems, opposes Assembly Bill (AB) 2511 (Ahrens, D-Cupertino) unless it is amended to address the concerns below, which would require hospitals to submit wage, salary, and benefit data to the Department of Industrial Relations (DIR) or face civil penalties of up to $10,000 per day.

- **CHA supports policies that promote parity between physical and behavioral health care, but directing cash-strapped state agencies and hospitals to study an already well-documented set of challenges is a waste of scarce resources.**
  Both the Legislative Analyst's Office and Newsom Administration expect the state to face multi-year budget deficits, with estimates ranging from $20 billion to $35 billion annually. Driven by skyrocketing costs for labor, pharmaceuticals, regulatory mandates, and more, 44% of all hospitals statewide lose money every day to deliver patient care. A perfect storm of state and federal policy changes, a rapidly aging population with greater needs, and record inflation are forcing hospitals to shutter services, lay off employees, or — in some cases — close altogether. Compounding these challenges, more than 2 million Californians are projected to lose health coverage and federal Medicaid (Medi-Cal in California) cuts are poised to remove tens of billions of dollars from the state's health care system over the next decade.

  In addition to being an extremely challenging time for the Legislature to create new state and hospital costs, AB 2511 would require DIR to study an issue for which ample evidence already exists. In fact, AB 2511's findings and declarations state that there is already evidence that behavioral health providers are compensated at rates lower than medical-surgical providers. Another study documenting the difference in resources provided to primary care compared to behavioral health care would not change or improve behavioral health access challenges in California. Instead, AB 2511 would divert hospitals' scarce resources to more data reporting instead of treating patients.

- **AB 2511 would create an unnecessary and quadruplicate reporting obligation for hospitals.**
  The pay data that AB 2511 would require hospitals to report for behavioral health providers and medical-surgical providers is already reported and made publicly available through numerous channels. Hospitals submit annual and quarterly financial reports to the Department of Health Care Access and Information (HCAI) that include detailed salary, benefits, and hours data — publicly accessible through the SIERA portal and the CHHS Open Data Portal. Hospitals also annually report pay, demographic, and other workforce data to California Civil Rights Department. In addition, hospitals must report pay data to the federal Equal Employment Opportunity Commission. There is no rational basis for AB 2511, which would add a fourth reporting obligation for hospitals, especially with an exorbitant $10,000 per day failure-to-report penalty.

- **Health care data reporting belongs in the state Health and Safety Code, not Labor Code.**
  As noted above, hospitals already submit detailed annual and quarterly financial reports to HCAI that include the very data AB 2511 seeks to collect. Yet, AB 2511 would place data collection authority with DIR and amend the Labor Code to give the department enforcement authority. Even more concerning is that a $10,000 per day penalty for non-compliance in the Labor Code places hospitals at risk for representative actions under the Private Attorneys General Act — an automatic risk of exposure to millions of dollars in litigation costs that would drive up the cost of health care for all Californians.

- **Important providers of behavioral health care would be ignored, limiting the report's usefulness to policymakers.**
  AB 2511 would require DIR, in consultation with the Department of Managed Health Care, HCAI, and the Office of Health Care Affordability, to study and prepare a report on compensation disparities between behavioral health and medical-surgical providers using data collected from Knox-Keene Act regulated health plans and commercial health plans. This would ignore the important role Medi-Cal specialty behavioral health plans play in the delivery of mental health and substance use disorder treatment services in California. These plans serve hundreds of thousands of Californians each year, are the primary means to access substance use disorder treatment services for Medi-Cal enrollees, and represent a $15 billion specialty behavioral health delivery system. Any review of behavioral health care access challenges in California must include the full array of health plans responsible for providing behavioral health care, including Medi-Cal specialty behavioral health plans.

- **Comparing medical-surgical providers to behavioral health providers would be a complex and potentially impossible task, offering limited utility to policymakers.**
  AB 2511 would require state agencies to create a methodology to compare every conceivable behavioral health provider type with medical-surgical providers in order to match up roles where the skills, expertise, education, specialized training, licensure and certification, and working conditions are comparable. This would necessitate DIR conducting a vast exploration of every type of licensed or certified provider among two professions which are, by design, vastly different. This would likely require a comparison of hundreds of different types of certifications, licenses, and specialties within the behavioral health and medical fields. It would be an extremely time-intensive undertaking that would likely identify very few careers where the skills, education, training, specialization, and working conditions are similar enough to compare salary and compensation equity. Given the near impossibility of the task, any resulting speculation or conclusions would offer little value to policymakers.

For these reasons, CHA requests your "NO" vote on AB 2511 unless it is amended to address these concerns.

Sincerely,

Leah Barros
Consulting Lobbyist, California Hospital Association

cc: The Honorable Patrick J. Ahrens
The Honorable Members of the Assembly Health Committee
Riana King, Principal Consultant, Assembly Health Committee
Justin Boman, Consultant, Assembly Republican Caucus