

May 16 2024

Position: **Vote YES on AB 3275**

To: The Honorable Members of the California State Assembly

From: Mark Farouk, Vice President, State Advocacy

AB 3275 (Soria, R. Rivas) – Support

California's hospitals see firsthand the devastating impact harmful practices by health plans have on patient care. Access to timely and vital health care services is too often limited by improperly denied or delayed reimbursement for care provided.

The California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, supports Assembly Bill (AB) 3275 which would clarify and update requirements for health care service plans or health insurers to reimburse services provided by small or rural providers, critical access hospitals, or distressed hospitals in a timely manner.

- Despite existing law that requires claims be paid “*as soon as practicable*,” CHA member hospitals report that many plans delay payment until the statutory “cap” of 30 or 45 days.
- Hospitals are experiencing an increasing number of unpaid claims extending well beyond the 30/45 days.
- The situation is dire for rural, critical access, and distressed hospitals, which serve our state's most vulnerable residents. While the financial pressures on these hospitals are multiple and complex, ensuring timely and accurate payment would address one of the major contributing factors.

CHA supports reasonable changes to health plan payment practices and timelines, which represent a crucial step toward protecting the rights of Californians to receive medical care appropriate to their needs.

For these reasons, CHA urges your YES vote on AB 3275