



March 25, 2025

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

SUBJECT: AB 384 (Connolly) – SUPPORT

Dear Assemblymember Bonta:

Hospitals are on the front lines of the mental health and substance use disorder crisis in California, with as many as 1 in 3 inpatient hospitalizations and 1 in 5 emergency department (ED) visits now [involving patients with behavioral health disorders](#). When timely access to medically necessary care is delayed or denied, patients suffer and medical outcomes are compromised. Too often, these harmful delays and denials stem from the process known as prior authorization. Thoughtful, comprehensive reform is essential to ensure that Californians receive the care they need when they need it. Given the growing number of individuals seeking care for a behavioral health crisis and the common challenge hospitals face in obtaining reimbursement, the California Hospital Association (CHA) supports efforts to ensure patients can access the immediate care they need without delay.

That's why CHA, on behalf of more than 400 hospitals and health systems, supports Assembly Bill (AB) 384, which would prohibit health plans from requiring prior authorization for medically necessary inpatient behavioral health care.

Every day, thousands of California hospital patients are prevented from transferring to the most appropriate settings where the resources, expertise, and trained staff are prepared to meet their needs. When CHA surveyed its members in 2023, hospitals [reported](#) they provided 7.5 million hours of unnecessary ED care each year due to discharge and transfer delays. Many of these patients are individuals in a psychiatric crisis who are boarding in a hospital ED awaiting an available inpatient bed. Even when a psychiatric hospital patient is ready to transition to a lower level of care — such as mental health or substance use disorder residential treatment — hospitals often face serious challenges arranging that next step. The dominant insurer-related factor contributing to these problems is authorization delays and denials.

AB 384 would prohibit health plans from requiring prior authorization for a patient to be admitted to medically necessary 24-hour inpatient care for mental health and substance use disorders. The bill would also prohibit health plans from requiring prior authorization for the medical care patients in 24-hour inpatient behavioral health settings might need. This bill will ensure that patients will not be subject to

compromised medical outcomes that result from unnecessary delays in prior authorization.

For these reasons, CHA supports AB 384.

Sincerely,



Kalyn Dean
Vice President, State Advocacy, California Hospital Association

cc: The Honorable Damon Connolly
The Honorable Members of the Assembly Health Committee
Logan Hess, Consultant, Assembly Health Committee
Justin Boman, Consultant, Assembly Republican Caucus