



June 10, 2025

The Honorable Caroline Menjivar
Chair, Senate Health Committee
1021 O St., Room 1200
Sacramento, CA 95814

SUBJECT: AB 682 (Ortega) – SUPPORT

Dear Senator Menjivar:

California’s hospitals see firsthand the devastating impact of health plans improperly denying or delaying reimbursement for care provided: Patients’ access to timely and vital health care services is limited. Provider efforts to address these issues are hampered by health plans’ lack of transparency, including a lack of publicly reported claims payment and denial process data.

This is why the California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, supports Assembly Bill (AB) 682, which would require insurers and health plans to add specified information in their regular financial reports to the Department of Managed Health Care (DMHC) and the Department of Insurance (DOI) – including the total number of claims processed, adjudicated, denied, or partially denied. This bill would also require that each department publish claims denial information on its website.

Current law states that, “A health care service plan ... shall reimburse claims or a portion of a claim ... as soon as practicable, but no later than 30 working days after receipt of the claim by the health care service plan, or if the health care service is a health maintenance organization, 45 working days after receipt of the claim by the health care service plan...” Despite the requirement that claims be paid “*as soon as practicable*,” our member hospitals report that many plans delay payment until the statutory “cap” of 30 or 45 days. Moreover, our hospitals are experiencing an increasing number of unpaid claims extending well beyond the 30-day to 45-day cap.

As a result, hospitals must devote significant resources to a time-consuming communication and appeals process just to receive payment for care that has already been provided. The situation is dire for our rural, critical access, and distressed hospitals — all of which serve our state’s most vulnerable residents. Such hospitals operate on very thin or even negative margins, and do not have reserves to support ongoing operations when plans delay payments for care provided to their members. In recent years, we have seen individual hospitals forced to declare bankruptcy or even close. While the financial pressures on these hospitals are multiple and complex, ensuring timely and accurate payment would address one of the major contributing factors.

Requiring insurers and health plans to report the total number of claims processed, adjudicated, denied, or partially denied — and requiring the DMHC and DOI to publish this information on their websites — is a crucial step in holding insurers accountable for their role in patient care.

For these reasons, **CHA requests your “AYE” vote on AB 682.**

Sincerely,



Kalyn Dean
Vice President, State Advocacy

cc: The Honorable Liz Ortega
The Honorable Members of the Senate Health Committee
Teri Boughton, Principal Consultant, Senate Health Committee
Joe Parra and Tim Conaghan, Consultant, Senate Republican Caucus