



April 10, 2025

The Honorable Thomas Umberg
Chair, Senate Judiciary Committee
1021 O Street, Room 3240
Sacramento, CA 95814

SUBJECT: SB 354 (Limón) — Oppose Unless Amended

Dear Senator Umberg:

Hospitals are deeply committed to protecting patient privacy and the confidentiality of personal health information. Every day, patients place their trust in hospitals, often during their most vulnerable moments, and hospitals take their privacy and confidentiality responsibilities seriously. Safeguarding patient data is not only a legal obligation — it is also a core part of hospitals' mission to provide safe, respectful, and compassionate care.

California hospitals are already subject to a comprehensive framework of federal and state privacy laws that strictly govern how patient information is collected, used, and shared. These laws include the federal Health Insurance Portability and Accountability Act (HIPAA), the Health Information Technology for Economic and Clinical Health (HITECH) Act, California's Confidentiality of Medical Information Act (CMIA), and special laws pertaining to mental health treatment, HIV test results, gender-affirming care, reproductive care, substance use disorder treatment, and more. Collectively, these laws impose rigorous standards and enforcement mechanisms to protect patient privacy.

Senate Bill (SB) 354 (Limón) would enact the Insurance Consumer Privacy Protection Act of 2025 to establish new standards for the collection, processing, retention, and sharing of consumers' personal information by insurance companies and their third-party service providers. The bill defines "insurer" to mean any of the following:

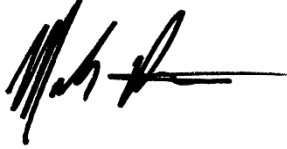
(A) A corporation, association, or partnership required to be licensed by the commissioner to assume risk or otherwise authorized to assume risk, including a nonprofit hospital, medical, or health care service organization, health maintenance organization, reciprocal exchange, interinsurer, Lloyd's insurer, fraternal benefit society, or multiple-employer welfare arrangement.

Given the existing comprehensive regulatory framework of health information privacy laws, the California Hospital Association (CHA) requests that hospitals be removed from the definition of

“insurer,” and that all entities subject to HIPAA and/or CMIA be exempted from the bill. A draft of suggested amendments is attached to this letter.

For the reasons stated above, CHA, on behalf of more than 400 hospitals and health systems, must respectfully oppose AB 354 unless amended.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Farouk', with a long horizontal flourish extending to the right.

Mark Farouk
Vice President, State Advocacy

cc:

The Honorable Monique Limón
Honorable Members of the Senate Judiciary Committee
Christian Kurpiewski, Consultant, Senate Judiciary Committee
Morgan Branch, Consultant, Senate Republican Caucus