



June 19, 2025

The Honorable Lisa Calderon
Chair, Assembly Committee on Insurance
1020 N Street, Room 369
Sacramento, CA 95814

SUBJECT: SB 632 (Arreguín) — Oppose
As Amended April 10, 2025

Dear Assemblymember Calderon,

For California's hospitals, healthy patients and healthy employees are paramount. Hospitals unequivocally support and protect their employees — they simply could not fulfill their mission of care without healthy workers.

California's existing workers' compensation system is a long-standing and effective benefit that provides timely medical care and compensation to all California workers injured on the job. Hospitals are proud of their long-standing record of approving 90% of all workers' compensation claims — one of the highest rates among all sectors. This is irrefutable proof that the system takes exceptional care of its workers when they get sick or are injured on the job.

The California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, opposes Senate Bill (SB) 632, which would create the first-ever broad-based private sector workers' compensation presumption. The law would apply only to hospital employees and create a series of workers' compensation rebuttable presumptions that illness from a variety of conditions — including COVID-19 — arose out of and while providing direct patient care.

We estimate the cost of SB 632 to be \$1.6 billion for hospitals. Even a single claim, which could be filed years after employment ends, could be valued in the hundreds of thousands of dollars. Any increase in workers' compensation costs will directly and immediately increase the cost of health care at a time when affordability of care is a priority. This action would also make California hospitals — already bracing for tens of billions of dollars in federal Medicare and Medicaid cuts — even more vulnerable and challenged in providing access to high-quality care.

The conditions that SB 632 would cover — infectious diseases, cancer, musculoskeletal injuries, post-traumatic stress disorder, and respiratory diseases — are already addressed in the current workers' compensation system. More importantly, the creation of any presumption is unsupported by data, and will not further the goal of maintaining and strengthening existing health and safety practices in California's hospitals. In fact:

- Historical data from the California Workers' Compensation Institute show that health care employers have one of the lowest denial rates of any sector for employees who file workers' compensation claims. Health employers approve more than 90% of all claims.
- With a presumption, workers would need to provide little to no evidence that their injuries are work-related when making a claim for workers' compensation.
- Hospitals are one of the most regulated and controlled environments, with extensive health and safety requirements designed and intended to protect patients and the workers who care for them.
- No evidence has been provided to justify the creation of these presumptions.

In addition, SB 632 allows for post-termination benefits of three months for every year of service, and the presumptions can follow any former employee for three to 10 years after employment ends, depending on the illness. In other words, a former employee who becomes ill with COVID-19 a year after leaving their hospital employer will be presumed to have contracted the illness while working at the hospital a year before. Expanding workers' compensation benefits beyond employment is not what the system was set up for, especially when it is well established that many of the covered illnesses are spread throughout the community or are hereditary, making it unlikely that these ailments occurred while employed.

Although the author has indicated an intent to narrow the scope of the bill, CHA remains opposed.

The data demonstrates that the current workers' compensation system is highly effective in caring for employees who are injured or become ill due to occupational hazards. For any illnesses or injuries unrelated to work, hospitals fully support ensuring their employees have access to high-quality health care.

Unfortunately, the presumptions that would be created by SB 632 fail to balance what the system is designed to do with the bill's harmful impact on patients, health care workers, and hospitals — especially given federal volatility and massive, pending cuts to Medi-Cal.

For these reasons, CHA respectfully asks for your "NO" vote on SB 632.

Sincerely,



Kalyn Dean
Vice President, State Advocacy

cc: The Honorable Jesse Arreguín, Senate District 7
The Honorable Members of the Assembly Committee on Insurance
Paul Riches, Principal Consultant, Assembly Committee on Insurance
Lauren Prichard, Consultant, Assembly Republican Caucus