**Place on hospital letterhead and email a copy of your letter to Dawn Vicari, CHA legislative assistant, at** [**dvicari@calhospital.org**](mailto:dvicari@calhospital.org)**.**

March XX, 2021

The Honorable Jim Wood

Chair, Assembly Health Committee

State Capitol, Room 6005

Sacramento, CA 95814

**SUBJECT: AB 1132 (Wood)** **– Oppose**

Dear Assemblymember Wood:

As California continues to fight through the COVID-19 pandemic, [**NAME OF HOSPITAL] is compelled to oppose Assembly Bill 1132 (Wood),** which would create an environment that will restrict Californians’ access to care, reduce the quality of care they receive, and, as underscored by the recent crisis, remove the unique, life-saving support hospital integration can bring to communities during a crisis.

[PROVIDE EXAMPLES HERE OF HOW YOUR ORGANIZATION LEVERAGED ITS RELATIONSHIPS AND AFFILIATIONS DURING COVID-19 TO SAVE LIVES (PATIENT TRANSFER; MEDICAL DEVICE SHARING; PPE BALANCING, ETC.).]

[NAME OF HOSPITAL] has concerns with AB 1132 that go well beyond COVID-19, however.

The vast majority of Californians are now covered by managed care arrangements, in which health plans contract with health care providers for better care at a reduced cost. AB 1132, however, imposes broad contract prohibitions that would disrupt countless relationships between hospitals, physicians, and other affiliates and permanently alter long-standing arrangements that are fundamental to organizing coordinated care. These same prohibitions also apply to medical groups and other physician organizations, all of which would limit integrated health systems in practically organizing systems of care, which will create fragmented networks and end the ability to enter into value-based contracts.

Over the long-term, AB 1132 would virtually end the ability for any hospital to participate in managed care arrangements or to affiliate with another health care organization. [GIVE EXAMPLES OF HOW YOUR ORGANIZATION MIGHT BE STIFLED IN MAKING CRITICAL INVESTMENTS IN QUALITY INNOVATION, ACCESS EXPANSION, AND HEALTH EQUITY.]

In addition, AB 1132 would give unprecedented decision-making authority to the Attorney General to be the sole arbiter of accessibility and availability of health care in California. The ability to regulate anticompetitive behavior is governed by the Attorney General’s current review authority, as well as longstanding federal and state antitrust laws. The bill gives such arbitrary and absolute discretion to the AG as to likely deter these critical types of transactions in the future, freezing the status quo in California while other states continue to drive toward efficiency and innovation.

Now, more than ever, patients need a sense of predictability and reliability when it comes to their health care. Further restricting the flexibility and resources health care providers desperately need simply to keep their doors open and provide vital care to patients will only undermine the care they have come to rely on.

Sincerely,

NAME

TITLE

cc: The Honorable Members of Assembly Health Committee

Lara Flynn, consultant, Assembly Health Committee

Gino Folchi, consultant, Assembly Republican Caucus