TEMPLATE LETTER – Please place on hospital letterhead and add hospital-specific details

DATE, 2021

The Honorable Ash Kalra

Chair, Assembly Labor and Employment Committee

State Capitol, Room 2196

Sacramento, CA 95814

**SUBJECT: AB 650 (Muratsuchi) — OPPOSE**

Dear Assemblymember Kalra:

I am writing on behalf of HOSPITAL NAME to oppose Assembly Bill (AB) 650. This bill would mandate an inequitable and unfair pay system where some health care workers would receive extra pay, but millions of other health care workers and essential workers would not. Equally troubling, AB 650 is also costly for patients. The measure would impose an estimated **$6 billion** statewide in unfunded increased costs that will be passed along to patients in the form of higher insurance rates, increased copays, and reduced access to vital health services.

Our concerns center on the following key reasons:

* Our health care workers are heroes, serving our communities valiantly during the COVID-19 pandemic. That is why hospitals and other providers have gone to great lengths, spending hundreds of millions of dollars to reward health care workers during the pandemic, such as providing bonuses, childcare services, temporary housing, and extended leave. ADD IN DETAILS ABOUT WHAT SPECIFIC SUPPORTS YOUR HOSPITAL HAS PROVIDED TO ITS HEALTH CARE WORKERS.
* AB 650 mandates extra pay to workers at private hospitals, clinics, physicians’ offices, surgery centers and other providers but EXCLUDES tens of thousands of workers at government-run hospitals and clinics, which will result in large numbers of workers from government-run and smaller hospitals and clinics fleeing for private and larger hospitals. This will lead to staffing shortages and jeopardize access to care at public hospitals, clinics, and smaller providers.
* AB 650 would *conservatively* **increase costs** by $6 billion at a time when we are trying to control health care costs. An additional $6 billion in unfunded and unbudgeted expenses will result in higher costs for consumers, including higher insurance costs, higher copays, and higher deductibles for patients.
* Complying with this mandate will force hospitals to consider and make difficult and unpopular, but necessary workforce decisions. Faced with billions in unfunded higher costs, many hospitals will need to alter capital improvement plans, eliminate services, or even shut down altogether – jeopardizing access to care at the worst possible time.
* While some hospitals have come through the COVID-19 pandemic fiscally sound, many have not. In fact, many health care providers are already operating at a loss. For instance, nearly 40% of California hospitals were operating at a loss before the pandemic, and that number has grown worse as a result of the pandemic.
* As California emerges from the pandemic, we need to be investing and strengthening our health care safety net, not massively increasing costs that will decimate services, hurt patients, and arbitrarily pick winners and losers.

For these reasons, HOSPITAL NAME respectfully asks for your “NO” vote on AB 650.

Sincerely,

Name

Title