

CHA Key Messages

Hospitals Oppose Bill That Would Exclude Some Health Care Heroes, Increase Costs for Patients

Hospitals recognize and reward their employees as front-line heroes.

- Hospital employees are nothing short of heroes. Despite a raging pandemic, they have courageously and tirelessly treated all Californians in need, jeopardizing their own safety and that of their families.
- To safeguard and care for these heroes during the COVID-19 fight, hospitals have taken extraordinary measures and spent hundreds of millions of dollars on their workforce.
- These investments include bonuses, childcare and subsidies, temporary housing, and extended leave.

AB 650 is inequitable and could hurt the workers it is intended to help.

- AB 650's mandate of extra pay **excludes** tens of thousands of workers at government-run hospitals and clinics, as well as smaller hospitals, clinics, physicians' offices and health care providers with fewer than 100 employees.
- AB 650 also excludes millions of other front-line heroes — including firefighters, paramedics, peace officers, and others who have played a vital role serving our communities over the past year.
- It is fundamentally unfair to mandate extra pay **for some** while excluding **millions of other** workers who have been equally important and challenged during the pandemic.

AB 650 would dramatically increase health care costs for patients.

- AB 650 would increase costs by **\$6 billion** — a conservative estimate — 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 insurance costs, higher copays, and higher deductibles for consumers.
- AB 650 would also generate **billions in unfunded higher costs** for the state to fund Medi-Cal and other health care programs, draining resources available for state budget priorities.

AB 650 could reduce access to care at the worst possible time.

- Faced with billions in unfunded higher costs, many health care providers will need to alter capital improvement plans, eliminate services, or even shut down altogether — jeopardizing access to care at the worst possible time.
- Nearly 40% of California hospitals were operating at a loss before the pandemic, and that number has increased because of the pandemic.
- Hospitals have **lost more than \$8 billion** because of COVID-19.
- Especially as we emerge from the pandemic, we need to invest and strengthen our health care safety net, not massively increase costs that will decimate services.