

Floor Alert



May 20, 2022

Position: **Vote NO on AB 2080**

To: The Honorable Members of the California State Assembly

When health care providers partner, access to vital health care services is preserved and improved for patients and communities. That is why our organizations strongly oppose AB 2080, which would (1) prohibit health care

providers and payers from entering into many preferred provider arrangements and (2) impose expensive, unpredictable, and unfair bureaucratic hurdles on health care providers and payers who seek to partner. Both parts of this bill would increase health care costs for all Californians.

In its current form, AB 2080 would:

- Result in fragmented care, longer distances for patients to travel for care, higher costs for patients, and uncertainty for the state's most financially vulnerable hospitals and providers
- Impose broad contract prohibitions that would disrupt countless relationships in the delivery of health care by restricting "incentives to encourage enrollees to utilize or avoid health care practitioners" — which is the essence of a preferred provider arrangement
- Restrict the flexibility and resources that health care providers need to continue to provide vital care to patients by prohibiting physicians, medical groups, hospitals, payers, and other providers from partnering or integrating without prior permission from the attorney general
- Create a massive expansion of authority for the attorney general to approve, deny, or impose any condition on just about every sale, transfer, merger, change in governance, or agreement over \$15 million
- Give the attorney general's office unlimited discretion over health care partnerships, which could undermine accessibility and availability of health care in California

To be clear, the attorney general's office and the U.S. Department of Justice already have sweeping authority over the health care marketplace under existing law. AB 2080 will add duplicative layers of review over routine partnerships that are often aimed at expanding or preserving access to care.

During the pandemic, we've witnessed first-hand how California's integrated health systems and partnerships saved countless lives with the seamless shift of limited resources such as PPE, the transfer of patients, and the deployment of health care workers to areas of high need during crises. Unfortunately, our organizations are deeply concerned that AB 2080 would reverse this progress and lead to higher costs in health care.

For these reasons, our organizations strongly urge your NO vote on AB 2080.