

Key Messages

Californians' Access to High-Quality, Affordable Health Care Depends on Strong Partnerships and Integration

Prohibition of in-network incentives and coverage requirements for affiliate providers will eliminate the managed care model of high-quality, seamless care for patients

When hospitals partner, we preserve access to high-quality health care and save patient lives.

- During the pandemic, California's integrated health systems and partnerships saved countless lives with the seamless shift of limited resources such as PPE, the ability to transfer patients, and the ability to deploy health care workers to areas of high need during a crisis.
- Integrated partnerships between hospitals, doctors, and other caregivers make advanced services available closer to home for patients who need specialized care such as cancer treatment, rehab services, cardiac care, and organ transplants.
- Assembly Bill (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.

AB 2080 would impose broad contract prohibitions that would disrupt countless relationships in the delivery of health care for all Californians.

- The bill would result in fragmented care by outlawing contract terms that restrict plans from offering "incentives to encourage enrollees to utilize or avoid health care practitioners" — which is the essence of a preferred provider arrangement.
- In its current form, AB 2080 would unwind managed care in California, sending us backward into illness-oriented and siloed health care, and increasing health care costs throughout the state.

AB 2080 would restrict the flexibility and resources health care providers need to continue to provide vital care to patients.

- This bill would prohibit physician groups, hospitals, payers, and other providers from partnering or integrating without prior permission from the attorney general.
- It would 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. This would make the attorney general's office the sole arbiter of accessibility and availability of health care in California.
- The broad expansion of the attorney general's authority into every health care sector is unnecessary given that existing law gives that office sweeping authority to investigate and prosecute anticompetitive behavior.