PLEASE PLACE ON HOSPITAL LETTERHEAD AND ADD HOSPITAL-SPECIFIC DETAILS

March XX, 2023

The Honorable Dave Cortese

Chair, Senate Labor, Public Employment and Retirement Committee

1021 O St., Room 2200

Sacramento, CA 95814

**RE:** **SB 525 (Durazo) — Oppose**

Dear Senator Cortese:

Delivering high-quality and affordable health care to patients is the purpose of XXXX HOSPITAL. Our hospital provides this lifesaving and life-changing care in partnership with our entire health care workforce.

Ensuring we meet the needs of our workforce while confronting inflation, workforce shortages, and structurally low reimbursement rates is not easy, but it is central to our ability to care for our communities.

**Unfortunately, XXXX HOSPITAL must OPPOSE Senate Bill (SB) 525 (Durazo) because it would jeopardize our ability to ensure we can continue to deliver the care that our community needs and deserves.** The bill imposes a top-down wage increase that does not reflect the current economics of health care. We are deeply concerned that SB 525 will instead reduce access to medical services, increase health care costs, and diminish health care employment opportunities.

**SB 525 Will Reduce Access to Critical Health Care Services**

In the aftermath of the COVID-19 pandemic, health care providers in California are in dire financial straits. Here at XXXX HOSPITAL alone, we’ve seen losses in the [$$ dollar amount over the past two years alone. This has created a daunting challenge for us to provide the care needed to meet demand in our community.

**SB 525 Will Increase Health Care Costs**

Currently, labor costs at XXXX HOSPITAL make up more than [% example] of the cost of providing care. To cover the increased expenses SB 525 would generate, there will be no choice but to seek higher rates from health plans. This means the price of health care will increase as insurers pass on these costs to consumers, **the exact opposite of our shared goal to make health care affordable**.

**SB 525 Will Lead to Fewer Health Care Jobs**

For XXXX HOSPITAL, the last thing we want to do is cut positions and services to comply with the bill. Unfortunately, SB 525 will be yet another cost driver that will force us to make tough choices, such as offering fewer job opportunities, laying off workers, and reducing flexibility for those already on staff. SB 525 would be a shock to the system that isn’t good for our patients or our workforce.

**SB 525 Treats Employees Inequitably**

California’s economic climate is profoundly challenging. Staff shortages, supply chain disruptions, inflation, and rising housing costs are difficult for all. Unfortunately, SB 525 exacerbates these challenges by picking winners and losers — raising income for some workers while increasing costs for every other worker and their families.

**For these reasons, XXXX HOSPITAL opposes SB 525 (Durazo) and respectfully requests your “NO” vote.**

Sincerely,