



April 6, 2023

The Honorable Jim Wood, DDS  
Chair, Assembly Health Committee  
1020 N St., Room 390  
Sacramento, CA 95814

**SUBJECT: AB 403 (Arambula) - OPPOSE**

Dear Assembly Member Wood:

California's not-for-profit hospitals are committed to improving the health and well-being of the communities they serve. This work is inherent in their mission and reflects a commitment to help create healthy communities outside hospital walls — especially in vulnerable communities — through community benefits programs. Hospitals also support increased reporting transparency in community benefits reports and alignment with federal requirements for community benefits. **It is because of hospitals' commitment to their communities that the California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, must oppose AB 403 (Arambula). This bill proposes new requirements that conflict with federal statutes and regulations and will unnecessarily divert scarce resources needed for patient care.**

AB 403 duplicates the components of AB 204 (Wood-2019). This bill requires hospitals to upload a new report table to the state Department of Health Care Access and Information (HCAI) to include community benefits categorized in alignment with the IRS Form 990, Schedule H. HCAI is currently developing regulations to implement AB 204 that require reporting of community benefits by the categories outlined in federal statutes and regulations. AB 403 conflicts with this ongoing work, which enables communities and policymakers to compare community benefit plans.

The health care environment is constantly changing, and the COVID-19 pandemic has resulted in financial challenges for all California hospitals. The changes contemplated in AB 403, and its companion bill AB 666 (Arambula), in addition to future federal and state regulations, will result in significant reallocation of finite resources that should be dedicated to patient care.

For these reasons, CHA is opposed to AB 403 (Arambula) and we ask that you vote "No" in the Assembly Health Committee. If you have any questions, please contact me at [vgonzalez@calhospital.org](mailto:vgonzalez@calhospital.org).

Sincerely,

A handwritten signature in black ink that reads "Vanessa Gonzalez".

Vanessa Gonzalez  
Vice President, Advocacy

cc: The Honorable Joaquin Arambula  
The Honorable Members of the Assembly Health Committee  
Lara Flynn, Principal Consultant, Assembly Health Committee  
Gino Folchi, Consultant, Assembly Republican Caucus