



September 19, 2023

The Honorable Gavin Newsom
Governor, State of California
1021 O St., Suite 9000
Sacramento, CA 95814

RE: Assembly Bill 40 (Rodriguez) — Request for Veto

Dear Governor Newsom:

There is no greater priority for California's hospitals than providing timely, appropriate care to all who come to an emergency department (ED). To do this, every hospital in the state employs a comprehensive and clinically driven process to evaluate, triage, and treat everyone who seeks help, regardless of how they arrive at the ED. **This is why the California Hospital Association (CHA), on behalf of its more than 400 hospital and health system members, must respectfully request your veto on Assembly Bill (AB) 40.** AB 40 would create an unrealistic ambulance patient offload time standard — no more than 30 minutes, 90% of the time — at a time when hospital EDs are experiencing significant challenges.

Hospitals are already working extensively to reduce offload delays but given the challenges across the entire health care delivery system, many hospitals would not be able to meet the standard required in AB 40. With many communities lacking primary care resources, many patients turn to the ED for non-emergency needs. At the same time, the lack of community care discharge options, shortages of health care workers, and an increase in patients in a behavioral health crisis have led to unprecedented overall ED volumes — a 42% increase in the last seven years. CHA maintains serious concerns that AB 40 puts the responsibility on hospitals alone to reduce offload delays and also puts hospitals at risk of costly litigation if the local standard is not met. We are also concerned that AB 40 will incentivize the overuse of an already-strained EMS system, if the public is aware that their care will be prioritized if they call 911.

We thank you for your leadership in addressing health care challenges and bolstering our safety net this year through the Mental Health Services Act reform, the Distressed Hospital Loan Program, as well as the managed care organization tax reauthorization. We ask that you allow time for these investments to be implemented before enacting AB 40, which would only further constrain hospitals' ability to care for patients. While CHA offered amendments — a phased-in approach to give hospitals time to reach the 90% threshold — they were not included in AB 40, making compliance unattainable for many hospitals across the state.

For these reasons, CHA respectfully requests your veto on AB 40. If you have any questions about CHA's position, please don't hesitate to contact me at vgonzalez@calhospital.org.

Sincerely,

Vanessa Gonzalez

Vanessa Gonzalez
Vice President, State Advocacy

cc: The Honorable Freddie Rodriguez
Christy Bouma, Legislative Affairs Secretary, Office of the Governor
Angela Pontes, Deputy Legislative Secretary, Office of the Governor