

September 1, 2023

Position: **Vote NO on SB 525**

To: The Honorable Members of the California State Assembly

From: Rony Berdugo, Vice President, State Advocacy

SB 525 (Durazo) – Oppose

Delivering high-quality and affordable health care is at the heart of what California's hospitals do. Providing lifesaving and life-changing care can only be done in partnership with the entire health care workforce. While it can be difficult, hospitals and health systems are constantly working to balance the needs of their employees and patients while confronting systemic challenges to the health care system — including runaway inflation, workforce shortages, and structurally insufficient reimbursement rates.

Unfortunately, the California Hospital Association (CHA), on behalf of its more than 400 hospitals and health systems, **URGES YOUR NO VOTE** on Senate Bill (SB) 525 (Durazo) because it would upend the ability of hospitals and other health care providers to balance these needs while preserving vital services for patients and communities. SB 525 would:

- **Reduce Access to Critical Health Care Services:** One major hospital has already closed, others are on the brink, and [more than half are losing money every day](#) to care for patients. Severe losses driven by the pandemic and inflation total in the billions — before factoring in the massive cost of this bill, which would force even more cuts to services.
- **Increase Health Care Costs:** At a [cost of billions annually to all of the state's health care providers](#), SB 525 is clearly a cost driver and in direct conflict with the state's goal of making health care affordable for working families.
- **Lead to Fewer Health Care Jobs:** Hospitals are constantly looking to expand the health care workforce in order to provide additional services. SB 525 would leave hospitals no choice but to do the opposite — cut positions in order to comply with the bill.
- **Treat Workers Inequitably:** Unfortunately, SB 525 would widen the gap between the haves and have-nots by picking winners and losers in the labor market, raising income for a select few in the health care sector while increasing costs for workers in all other non-health care sectors.

SB 525 simply fails to recognize the fragility of California's health care system. SB 525 would have sweeping and immediate consequences, particularly on the state's most vulnerable populations.

For these reasons, CHA strongly urges your NO vote on SB 525.