



April 17, 2024

The Honorable Richard Roth
Chair, Senate Health Committee
1021 O Street, Room 1200
Sacramento, CA 95814

SUBJECT: SB 1061 (Limón) – Concerns

Dear Senator Roth:

California hospitals are proud to provide more than \$8.8 billion per year in charity care and discounted care to low-income Californians. For many people, hospital charity care or discounted care is the only way they can access high-quality health care services. California has been a leader in adopting requirements to protect low-income uninsured or underinsured Californians from potentially devastating medical bills.

SB 1061 (Limón) would prohibit hospitals and other health care providers from reporting medical debt to a credit reporting agency, even for high-income patients with demonstrated ability to pay. The bill would also require hospitals to maintain a database of litigation resulting from medical debt and would void a medical debt in its entirety for even minor, technical violations of the law.

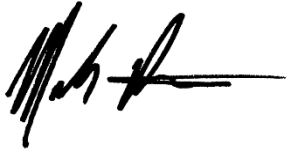
The California Hospital Association (CHA) appreciates the author's and sponsors' intent to ease the financial and emotional strain on patients who — whether or not they qualify for charity/discounted care — have a medical debt. However, CHA has the following concerns with the bill as currently written:

- The requirement to maintain a litigation database would divert finite, valuable health care resources from patient care into an unnecessary administrative process.
- The Consumer Credit Reporting Agencies Act already contains remedies for consumers harmed by violations. The language in SB 1061 that would void all medical debt for even a minor, technical, or accidental violation of the law is unnecessary and should be removed.
- The bill should be revised to clarify that its provisions apply to medical debt resulting from services rendered on or after Jan. 1, 2026. This will give hospitals and other health care providers time to comply with its provisions. Without a delayed effective date, all medical debt would become void upon enactment of this bill, because the contract that created the medical debt (such as a hospital's Conditions of Admission form) would not include the new, specified language required by the bill.

- The federal Consumer Financial Protection Bureau has announced a rulemaking process to remove medical bills from credit reports. SB 1061 should be revised to clarify that if federal law prohibits the reporting of medical debt to a credit reporting agency, the federal law prevails over state law.

CHA appreciates your consideration of the concerns described above.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Farouk', with a long horizontal flourish extending to the right.

Mark Farouk
Vice President, State Advocacy

cc: The Honorable Senator Monique Limón
The Honorable Members of the Senate Health Committee
Teri Boughton, Principal Consultant, Senate Health Committee
Joe Parra, Consultant, Senate Republican Caucus
Tim Conaghan, Consultant, Senate Republican Caucus