



April 12, 2024

The Honorable Anna Caballero
Chair, Senate Appropriations Committee
1021 O St., Room 412
Sacramento, CA 95814

SUBJECT: SB 1300 (Cortese) — OPPOSE

Dear Senator Caballero:

There is no greater priority for California's hospitals than caring for their communities and ensuring access to quality health care. However, hospitals are facing many challenges that are forcing them to eliminate or reduce services just to keep their doors open. The California Hospital Association (CHA) supports policy changes and payment reforms that can improve access to care. Unfortunately, Senate Bill (SB) 1300 does not address the underlying challenges that might force a hospital to make the difficult decision to reduce services. In fact, SB 1300 will likely make current problems even worse.

For these reasons, CHA, on behalf of more than 400 hospitals and health systems, opposes SB 1300, which would place new requirements on hospitals that close inpatient psychiatric or labor and delivery (L&D) units.

Specifically, SB 1300 expands existing public noticing requirements from 90 days to 120 days. It is unclear how an additional 30 days of public notice would mitigate the effects of service closure, or prevent the closure from occurring. Extending the public notice requirements will exacerbate the situation and speed up closures as health care providers and staff leave their jobs quickly after learning that a service is closing. Hospitals already experience this challenge with the 90-day notification requirement; service lines often operate at reduced capacity than initially expected or close sooner than 90 days due to staff shortages caused by departures.

Additionally, SB 1300 would require hospitals to pay for and provide an impact analysis to HCAI before issuing the 120-day notice of the proposed closure or elimination. The bill requires the impact analysis to include demographic data about every patient treated by the hospital over the past five years — data that hospitals *already* report to HCAI, and which is already publicly available.

The bill does not explain the purpose of providing the impact analysis to HCAI, yet gives the department new responsibilities without an identified funding source. Specifically, SB 1300 would require HCAI to create a report format for the impact analysis that hospitals would be required to submit.

Further, SB 1300 gives the California Department of Public Health (CDPH) new responsibilities without an identified funding source. The bill requires CDPH to determine whether the use of resources to keep the inpatient psychiatric services or maternity services open for the full 120 days would threaten the stability of the hospital as a whole. The bill also requires CDPH to prioritize and expedite the licensing of additional beds to replace the number of lost beds “necessary to mitigate the negative impacts identified in the impact analysis report.” Presumably, CDPH would need to obtain the impact analysis from the hospital or HCAI and then assess necessary service levels in a particular community, then require licensing staff to re-prioritize their existing workload, without any new resources.

Ultimately, this bill places new and ineffectual responsibilities and costs on the state and hospitals — without demonstrating any evidence these activities will prevent the closure of inpatient psychiatric care or maternity care services.

CHA remains committed to collaborative efforts toward effective solutions. However, SB 1300 does not improve access to care and would worsen the situation for hospitals working to avoid service closures.

For these reasons, CHA requests your “NO” vote on SB 1300.

Sincerely,



Vanessa Gonzalez
Vice President, State Advocacy

cc: The Honorable Dave Cortese
The Honorable Members of the Senate Appropriations Committee
Agnes Lee, Consultant, Senate Appropriations Committee
Joe Parra, Consultant, Senate Republican Caucus
Jessica Cruz, Chief Executive Officer, NAMI California