



June 27, 2024

The Honorable Tim Grayson
Chair, Assembly Banking and Finance Committee
1021 O St., Room 5510
Sacramento, CA 95814

SUBJECT SB 1061 (Limón) – Oppose Unless Amended

Dear Assemblymember Grayson:

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, 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.

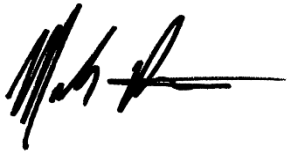
Senate Bill (SB) 1061 (Limón, D-Santa Barbara) would prohibit hospitals and other health care providers from reporting medical debt to a credit reporting agency. The California Hospital Association (CHA) appreciates the intent of the author and sponsors to ease the financial and emotional strain on patients who have medical debt. **CHA does not oppose this part of the bill.**

CHA appreciates recent amendments that remove the requirement that hospitals maintain a litigation database. While these changes have made significant progress to address concerns, additional clarification is needed. The recent amendments include a provision that hospitals maintain “documents related to litigation filed by or on behalf of the hospital or any subsequent holder of the debt, including but not limited to, a debt buyer.” It is unclear what “documents related to litigation” are required to be retained. Additionally, hospitals may not have information related to all litigation resulting from medical debt. In the case of a debt that has been assigned to a subsequent holder, the hospital would not have access to the documents related to any litigation filed by that holder or debt buyer as that specific debt is no longer owned by the hospital.

CHA thanks the author for continuing to work through the issues that have previously been raised. Based on recent conversations on amendments to address the aforementioned concerns, CHA believes it will be able to remove its opposition when these amendments appear in print.

With the changes discussed with the author, on behalf of more than 400 hospitals and health systems, CHA will remove its opposition to SB 1061.

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
Honorable Members of the Assembly Banking and Finance Committee
Luke Reidenbach, Assembly Banking and Finance Committee
Liz Enea, Consultant, Assembly Republican Caucus