



June 26, 2024

The Honorable Buffy Wicks
Chair, Assembly Appropriations Committee
1021 O St., Suite 8220
Sacramento, CA 95814

SUBJECT: SB 1300 (Cortese) – OPPOSE UNLESS AMENDED

Dear Assembly Member Wicks:

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 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 (Cortese, D-Campbell) does not address the challenges that might force a hospital to reduce services and requires hospitals to provide information they cannot access.

For these reasons, on behalf of more than 400 hospitals and health systems, CHA must oppose SB 1300 unless it is amended to address these concerns.

Over the past several months, CHA has worked with the author’s office and presented what we believe are reasonable amendments to address our concerns. We appreciate the amendments the author has made and are committed to working with the author and sponsor on our remaining concerns.

SB 1300 would require a health facility eliminating maternity or inpatient psychiatric supplemental services to complete an “impact analysis report” and provide it to the Department of Health Care Access and Information (HCAI) and the county board of supervisors prior to closing either service. We appreciate the spirit of the author’s April 8, 2024, amendments which clarified that the hospital’s report would be based on a “good faith estimate” of the impact of the closure. However, we remain strongly opposed to SB 1300 requiring the health facility to estimate the closure’s *impact on the county, the county’s potential annual increased costs* for providing additional inpatient psychiatric care or maternity care, and the *impact on the continuum of care capacity in the county*.

Instead, CHA proposes SB 1300 be amended to refer to the information provided by the health facility as a “report” – not an impact analysis. Additionally, our amendments would require the health facility’s report to include only the information it could realistically provide or estimate, such as the impact on the *availability* of those services in the county. Only the counties themselves could estimate local impacts on

their own costs and the care continuums they oversee. CHA believes these amendments are important for several reasons:

1. Requiring the state or local government — not the hospital — to estimate community impacts of a service closure are consistent with existing law, state guidelines, and related and previous legislation. Specifically:
 - Health & Safety Code Section 1300 and [EMSA guidelines](#) require a hospital to report factual information to the state and the county before closing or downgrading a hospital's emergency services. In such cases, the county or the local EMS agency is the entity required to provide an “impact evaluation” to the California Department of Public Health (CDPH)
 - AB 1895 (Weber) requires a health facility closing maternity services to report specified information to the state, and the state — not the health facility — to conduct a community impact assessment. Subdivision (c) of Health and Safety Code Section 1255.28 in the bill would require HCAI in conjunction with CDPH to conduct a “community impact assessment”
2. The state, local governmental entities, and health plans licensed and regulated by the state – not individual health care providers in a community – bear the responsibility to provide health care services.
 - In the case of inpatient psychiatric care, each of California's county board of supervisors has a statutory and state-county contractual obligation to provide or arrange for the provision of all inpatient psychiatric care to eligible Medi-Cal beneficiaries. The Department of Health Care Services (DHCS) establishes access standards for the specialty mental health services counties provide to Medi-Cal beneficiaries. To date, DHCS has not established network adequacy standards for the counties' Medi-Cal inpatient psychiatric benefit (see [DHCS BHIN 24-020](#) for the most recent county behavioral health network adequacy standards)
 - For residents covered by state regulated commercial health plans, mental health services — including inpatient psychiatric services — are a required benefit. As stated on the Department of Managed Health Care web site, “California's Mental Health Parity Act, as amended in 2020, requires all state-regulated commercial health plans and insurers to provide full coverage for the treatment of all mental health conditions and substance use disorders”
 - Practically speaking, a hospital would simply not have the information or knowledge necessary to estimate the overall impact on the local county's change in costs to provide services, nor the entire continuum of care capacity in a county

Second, we propose SB 1300 be amended to clarify the purpose of the county's public hearing (i.e., to obtain input on potential impacts of the service closure and to discuss options for ameliorating those impacts) and require the county to post information after their public hearing about measures the county or others may take to ameliorate impacts of the service closure. We recommend providing counties with guidance on the purpose of convening a public hearing and discussing ways to address potential community impacts when a hospital's supplemental services close.

Ultimately, this bill places new and ineffectual responsibilities and costs on the state and hospitals without demonstrating evidence these activities will prevent the closure of inpatient psychiatric care or maternity care services. CHA remains committed to collaborative efforts toward effective solutions, but we request your “NO” vote on SB 1300 unless it is amended to address our concerns.

Sincerely,



Vanessa Gonzalez
Vice President, State Advocacy

cc: The Honorable Dave Cortese
The Honorable Members of the Assembly Appropriations Committee
Allegra Kim, Consultant Assembly Appropriations Committee
Joe Shinstock, Consultant, Assembly Republican Caucus
Jessica Cruz, Chief Executive Officer, NAMI California