



March 19, 2025

The Honorable Lola Smallwood-Cuevas
Chair, Senate Committee on Labor, Public Employment and Retirement
1021 O Street, Room 6740
Sacramento, CA 95814

SUBJECT: SB 632 (Arreguín) — Oppose

Dear Senator Smallwood-Cuevas:

For California's hospitals, healthy patients and healthy employees are paramount. Hospitals unequivocally support and protect their employees — they simply could not fulfill their mission of care without healthy workers.

California's existing workers' compensation system is a long-standing and effective benefit that provides timely medical care and compensation to all California workers injured on the job. Hospitals are proud of their long-standing record of approving 90% of all workers' compensation claims — one of the highest rates among all sectors. This is irrefutable proof that the system takes good care of its workers when they get sick or are injured on the job.

Any increase in workers' compensation costs will directly and immediately increase the cost of health care at a time when affordability of care is a priority. This action would also make hospitals — already bracing for likely Medicare and Medicaid cuts — even more vulnerable and challenged in providing access to high-quality care. The cost of this new mandate, while difficult to quantify, would likely be astronomical. Even a single claim, which could be filed up to 10 years after employment ends, could be valued in the hundreds of thousands of dollars.

For these and additional reasons provided below, the California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, must oppose Senate Bill (SB) 632, which would **create the first-ever broad-based private sector workers' compensation presumption**. The law would apply only to hospital employees and create a series of workers' compensation rebuttable presumptions that illness from a variety of conditions — including COVID-19 — arose out of and in the course of providing direct patient care.

Not only is the creation of these presumptions unsupported by data, but the presumptions do not further the goal of maintaining and strengthening existing health and safety practices in California's hospitals. In fact:

- Historical data from the California Workers' Compensation Institute show that health care

employers have one of the lowest denial rates of any sector for workers who file workers' compensation claims. Health employers approve more than 90% of all claims.

- With a presumption, workers would need to provide little to no evidence that their injuries are work-related when making a claim for workers' compensation.
- Most importantly, no evidence has been provided to justify the creation of these presumptions.

The conditions that SB 632 would cover are already addressed in the current workers' compensation system:

- Infectious diseases such as staph infections, tuberculosis, meningitis, bloodborne infections, and respiratory diseases such as COPD, COVID-19, and all its variants
- Post-traumatic stress disorder
- Musculoskeletal injuries (muscle, tendon, ligament, nerve, joint, bone, and blood vessel)
- Cancers such as liver, myeloid leukemia, kidney, multiple myeloma, ovarian, breast, nasopharyngeal, thyroid, brain, nervous system, HPV-positive tonsillar, and others

In addition, SB 632 allows for eligibility for post-termination benefits of three months for every year of service, set at a minimum of five years and capped at a maximum of 10 years, depending upon the illness. Creating a workers' compensation presumption for illnesses that may materialize months or even years after employment is not what the workers' compensation system was set up for, especially when it is well established that many illnesses are spread throughout the community, making it very unlikely that these ailments occurred while employed.

An unnecessarily expansive policy such as this will have the opposite effect of its intent, making it more costly to care for workers and leading to reduced employment and protections as a result.

The data demonstrate that the current workers' compensation system is highly effective in caring for employees who are injured or become ill due to occupational hazards. For any non-work-related illnesses or injuries, hospitals fully support ensuring their workers have access to high-quality health care. Unfortunately, the presumptions that would be created by SB 632 fail to balance what the system is designed to do with the impact on patients, health care workers, and hospitals — especially given volatility and uncertainty around Medi-Cal financing.

For these reasons, CHA respectfully asks for your “NO” vote on SB 632.

Sincerely,



Kalyn Dean
Vice President, State Advocacy

cc: The Honorable Jesse Arreguín, Senate District 7
The Honorable Members of the Senate Committee on Labor, Public Employment and Retirement
Jazmin Marroquin, Consultant, Senate Committee on Labor, Public Employment and Retirement
Cory Botts, Consultant, Senate Republican Caucus