



June 26, 2017

The Honorable Mike McGuire, Chair
Senate Governance and Finance Committee
State Capitol, Room 5061
Sacramento, CA 95814

SUBJECT: AB 1250 (Jones-Sawyer) - OPPOSE

Dear Chairman McGuire:

On behalf of the members of the California Association of Public Hospitals and Health Systems (CAPH) and the millions of patients they serve, I am writing to express our opposition to AB 1250 by Assemblyman Jones-Sawyer, which could undermine public health care systems' ability to provide accessible, high quality patient care to millions of our community residents.

California's 21 public health care systems include both county-owned and operated facilities and University of California medical centers, which together play a central role in the state's safety net and health care landscape, delivering care to all who need it, regardless of ability to pay or circumstance. Although they represent just six percent of all California hospitals statewide, they serve 2.85 million patients each year and provide about 40 percent of all hospital care to the state's uninsured and 35 percent of all care to the Medi-Cal population in the communities where we operate. To a large extent, their patient population has complex and multiple medical needs. In light of their significant and multiple roles, public health care systems and their delivery system improvements have a profound impact on the health care and health of millions of Californians.

Unfortunately, AB 1250 would impose new restrictions on public service contracts that would make it difficult for county health systems to effectively meet the needs of their patient populations. Many county public health care systems, including hospitals, clinics, and laboratory facilities, both employ staff directly and also contract out for certain services. Such contracts allow our systems to address gaps in care, respond to sudden increases in demand, and remain efficient. Public service contracts exist in almost every area of the delivery system, (e.g. ambulatory care, behavioral health, inpatient and emergency services), and impact support staff as well as physicians and specialists. AB 1250 would impose a burdensome new process whenever services are performed by county and contract staff. The new requirements could lead to significant delays in addressing care needs and could result in an inability to secure critical staffing throughout the delivery system.

Furthermore, the bill would make it more difficult for county systems to compete in this new health care landscape. With an everchanging marketplace, public health care systems compete against other local hospitals particularly to recruit and retain staff. It is important for our hospitals, clinics and ancillary



services to be able to maintain a certain level of flexibility in order to rapidly address access concerns and adopt new models of care that ensure public systems can provide high quality services to their patients. New requirements that target public systems and leave our private competitors exempt would put the public sector at a competitive disadvantage in this new environment.

Although we support the goals of trying to maintain a robust local workforce and respect the need for transparency, counties across the state have already established processes for approving public service contracts during public Board of Supervisor meetings to make sure local funds are being used wisely.

For these reasons, we oppose AB 1250. Please contact Terri Thomas, our Sacramento representative, at 916-325-1010 if you have any questions regarding our position on this bill. Thank you for your consideration.

Sincerely,

Erica Murray
President and CEO

cc: The Honorable Reginald Jones-Sawyer
The Honorable Members of the Senate Governance and Finance Committee
Jimmy McDonald, Committee Consultant
Joshua White, Republican Consultant
Terri Thomas, Thomas Advocacy Inc.