



August 1, 2017

The Honorable Ricardo Lara, Chair
Senate Appropriations Committee
State Capitol, Room 5050
Sacramento, CA 95814

SUBJECT: AB 1250 (Jones-Sawyer) - OPPOSE

Dear Chairman Lara:

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, and 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 Californians 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 our county systems to effectively meet the needs of their patient populations. Many of our county public health care systems including hospitals, clinics, laboratory facilities, etc. employ staff and also contract out for certain services, which allows our systems to address gaps in care, respond to sudden increases in demand and remain efficient. Public service contracts exist in just about every area of the delivery system, (e.g. ambulatory care, behavioral health, inpatient and emergency services), and touch support staff as well as physicians and specialists. AB 1250 would impose a new process whenever services are performed by both county staff and through contractual arrangements which could lead to significant delays in addressing care needs and lead to an inability to secure needed staffing in critical areas of our 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 community 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. Adopting new requirements ~~for~~ that target public systems and do not impact our competitors can also put our systems 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: Assembly Member Reginald Jones-Sawyer
The Honorable Members, Senate Appropriations Committee
Robert Ingenito, Committee Consultant
Chantele Denny, Republican Consultant
Terri Thomas, Thomas Advocacy Inc.



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