



COSTLY.
DANGEROUS.
INEQUITABLE.

Measure would force significant cuts to vital health care services and increase health care costs by more than \$7 billion.

Assembly Bill 650 (Muratsuchi) is costly, dangerous and inequitable. AB 650 would impose well over \$7 billion in unfunded costs on public and private hospitals, clinics, doctor's offices, safety net providers, skilled nursing facilities and other health care providers. These massive cost increases will force dangerous cuts to vital health care services and safety net services. AB 650 mandates extra pay bonuses for certain health care workers but excludes millions of other health care and essential workers. Here's why a broad coalition of community hospitals, clinics, doctors and other providers are strongly opposed to AB 650.



HEALTH CARE WORKERS HAVE BEEN RECOGNIZED AND REWARDED AS FRONTLINE HEROES.

- Health care workers are indeed heroes. That's why community clinics, hospitals, physician offices and other providers have gone to great lengths, spending hundreds of millions of dollars to reward and support health care workers during the pandemic. These efforts include providing:
 - Bonuses and pay increases
 - Extended leave
 - Temporary housing
 - Childcare services and subsidies
 - Wellness and counseling support
 - Safety precautions
- In addition, health care providers have taken extraordinary steps to ensure workers are safe on the job. This includes comprehensive screenings of staff, visitors, and patients; increasing PPE inventory; deep cleaning procedures; cohorting of patients and workers; and holding vaccine clinics for employees.
- Recent amendments to AB 650 simply cannot and will not account for all that providers have already done to support and reward workers during the pandemic.





MEASURE COULD FORCE DEEP CUTS TO VITAL HEALTH CARE SERVICES – SHUTTERING PUBLIC AND PRIVATE HOSPITALS, CLINICS AND OTHER PROVIDERS AND JEOPARDIZING SAFETY NET SERVICES.

- Many health care providers are already struggling financially. **Hospitals, clinics and other providers have lost billions** as a result of increased obligations during the pandemic and decreased revenues. According to a [new report](#), California hospitals alone lost more than \$14 billion in 2020. Public safety net providers are also struggling financially.
- Faced with more than \$7 billion in unfunded higher costs, **many health care providers will** be forced to make difficult decisions around **reducing worker hours, eliminating services or even shutting down altogether** – jeopardizing access to care at the worst possible time.
- Recent amendments to add in **all public hospitals** will force severe cuts to safety net services already struggling and hurt underserved patients most in need.
- Especially as we emerge from the pandemic, we need to be investing and strengthening our health care safety net, not massively increasing costs that will decimate services.



AB 650 WOULD DRAMATICALLY INCREASE HEALTH CARE COSTS FOR PATIENTS BY WELL OVER \$7 BILLION.

- AB 650 would increase health care costs by well over \$7 billion at a time when we're trying to control health care costs. This more than **\$7 billion** in unfunded, unbudgeted expenses will result in **higher costs for consumers**, including **higher insurance costs, higher copays and higher deductibles**.
- According to the [Assembly Appropriations Committee analysis](#), AB 650 will **increase costs to the state's Medi-Cal program by "hundreds of millions"**, which could balloon to \$1 billion; and would **increase hospital costs by nearly \$5 billion**.
- Furthermore, amendments to add in **all public hospitals and clinics** will increase the legislation's costs by **billions more**.
- An increase in health care costs at a time when many Californians are suffering financial hardships will only widen the gaps in access to health care among low-income and disadvantaged communities.



AB 650 IS ARBITRARY AND INEQUITABLE.

- Under AB 650, Sacramento legislators will determine which essential workers are worthy of extra pay bonuses and which essential workers are not worthy.
- AB 650 mandates extra pay bonuses to workers at public and private hospitals, certain clinics, physicians' offices and other providers but arbitrarily **EXCLUDES** tens of thousands of health care workers at clinics and smaller hospitals, physicians' offices and providers.
- AB 650 also **excludes millions of other essential workers including firefighters, paramedics, peace officers, transit workers, government employees, retail workers and others** who have played a vital role serving our communities during the past year.