

Date of Hearing: June 2, 2020

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 2037 (Wicks) – As Amended May 20, 2020

Policy Committee: Health

Vote: 10 - 3

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

**SUMMARY:**

This bill increases the amount of notice a hospital that provides emergency medical services (EMS) is required to provide, from at least 90 days to at least 180 days, before a planned reduction or elimination in the level of EMS.

It also increases the notice requirements, from 30 days prior to closing a hospital facility to at least 180 days prior, and from 30 days prior to eliminating or relocating a supplemental service to at least 90 days prior and includes additional manners in which public notices must be posted.

**FISCAL EFFECT:**

Minor and absorbable costs to CDPH in its oversight of hospital licensing (Licensing and Certification Fund).

**COMMENTS:**

- 1) **Purpose.** According to the author, recent closures of hospitals and emergency departments (EDs), as well as possible upcoming closures, threaten the future of the healthcare safety net and put communities at risk of losing accessible emergency services. The author asserts existing timeframes do not allow for sufficient community engagement, nor provide enough time for local leaders to work towards an alternative to closure.
- 2) **Background.** Current law requires 90 days notice prior to a planned reduction or elimination of a level of EMS provided by a hospital.

Current law also requires 30 days notice prior to a hospital closure or elimination of a “supplemental service.” Licensed general acute care hospitals must provide the following basic services: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy and dietary services. “Supplemental services,” such as dialysis or respiratory care, are optional for the hospitals to provide, but reduction or elimination of these services triggers notification requirements.

Proponents note the proposed closure of Community Hospital Long Beach prompted workers and local officials to come together to successfully negotiate alternatives to closure.

- 3) **Support and Opposition.** The California Nurses Association is the sponsor of this bill and asserts existing notice timeframes are too short. The California Hospital Association (CHA) opposes this bill unless it is amended, listing a number of reasons the 180-day notification period is, according to CHA, onerous. For instance, CHA contends it would not give

hospitals the flexibility necessary to close or adjust services to ensure quality of care, or to retain employees to provide access during the announced period.

- 4) **Prior Legislation.** AB 1014 (O'Donnell), of the current legislative session, increases the number of days a notice must be issued, prior to a planned closure or elimination, in a manner similar to this bill. AB 1014 was vetoed on grounds it could exacerbate the financial and patient safety concerns that often lead to closures.

Other recent bills have addressed Attorney General (AG) review of proposed reductions in hospital services or closures of hospital:

- a) AB 2874 (Thurmond), of the 2017-18 Legislative Session, would have required the AG to review and approve reductions in hospital services or closures of hospitals and would have required health facilities to provide more notice prior to closures or planned reductions. AB 2874 failed on the Assembly Floor.
- b) AB 651 (Muratsuchi), Chapter 782, Statutes of 2017, extended the time frame for the AG to approve or reject the proposed sale of a nonprofit health facility, from 60 to 90 days; required that public notice of a hearing regarding the proposed sale be provided in English and any other language that is widely spoken in the county where the facility is located; and required the AG to consider whether the sale will have an adverse impact on significant cultural interests in the affected community.
- c) SB 687 (Skinner), of the 2017-18 Legislative Session, would have required a nonprofit corporation that operates a health facility that includes a licensed emergency center to obtain the consent of the AG prior to a planned elimination or reduction in the level of emergency medical services provided. SB 687 was vetoed by the Governor, who noted:

Removing a hospital's authority to determine emergency service needs will not solve the underlying financial issues that typically force these decisions. An Attorney General decision to prohibit a reduction or elimination of these services may hasten the reduction of other services or closure of the entire hospital.

**Analysis Prepared by:** Lisa Murawski / APPR. / (916) 319-2081