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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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### AB 1312 (Schiavo) - Hospital pricing

**Version:** July 21, 2025

**Urgency:** No

**Hearing Date:** August 18, 2025

**Policy Vote:** HEALTH 8 - 0

**Mandate:** No

**Consultant:** Agnes Lee

**Bill Summary:** AB 1312 would make changes to hospital processes related to establishing patient eligibility for participation under the hospital's charity care policy.

**Fiscal Impact:** The Department of Health Care Access and Information (HCAI) estimates ongoing General Fund costs of approximately \$1.6 million beginning in 2026-27 to collect information necessary to determine compliance and assess penalties for any identified violations.

**Background:** Current law requires each hospital to maintain understandable written policies on discounted payments and charity care for uninsured patients or patients with high medical costs who have income up to 400 percent of the federal poverty level (FPL), and allows rural hospitals to establish eligibility levels for discounted payment and charity care at less than 400 percent of the FPL as appropriate to maintain their financial and operational integrity. Hospitals must provide patients with a written notice that contains information about availability of the hospital's discount payment and charity care policies, including information about eligibility, as well as contact information for a hospital employee or office from which the person may obtain further information about these policies.

Current law requires a patient who requests a discounted payment or charity care to make every reasonable effort to provide the hospital with documentation of income and health benefits coverage. If the patient fails to provide information, the hospital may consider that failure in making its determination. Current law requires documentation of income to be limited to pay stubs or income tax returns, although a hospital may accept, but not require, other forms of documentation. Eligibility for discounted payments or charity care must be determined at any time the hospital is in receipt of information, and a hospital cannot impose time limits for applying for charity care or discounted payments, nor deny eligibility based on the timing of a patient's application. If a patient does not submit an application or documentation of income, a hospital may presumptively determine that a patient is eligible for charity care or discounted payment based on information other than that provided by the patient or based on a prior eligibility determination.

**Proposed Law:** Specific provisions of the bill would:

- Require, commencing July 1, 2027, a hospital to presumptively determine that a patient is eligible for participation under the hospital's charity care policy or discount payment policy if any of the following apply:

- The patient or any member of the patient's family is enrolled in CalFresh, CalWORKs, or Tribal Temporary Assistance for Needy Families (Tribal TANF), Women, Infants, and Children (WIC), California Alternate Rates for Energy (CARE), the Low-Income Home Energy Assistance Program (LIHEAP), Housing Choice Voucher (HCV) program, and any other programs as determined by the HCAI and any additional programs determined by each hospital that would reasonably reflect the approximate patient household income.
- The patient or a member of the patient's family was determined to be eligible for participation under the hospital's charity care policy or discount payment policy during the previous six-month period, as specified.
- The patient is experiencing homelessness.
- Require, commencing July 1, 2027, a hospital to screen a patient for eligibility for participation under the hospital's charity care policy and discount payment policy if the patient is any of the following:
  - Uninsured.
  - Enrolled in Medi-Cal with cost sharing or eligible for Medi-Cal under the Hospital Presumptive Eligibility (HPE) program.
  - Enrolled in a Covered California health plan.

**-- END --**