

ASSEMBLY THIRD READING
AB 1607 (Mark González)
As Amended March 26, 2026
Majority vote

SUMMARY

Extends both the January 1, 2027 sunset date on the Maddy Emergency Medical Services (EMS) Fund (which provides reimbursements for EMS), and the January 1, 2027 sunset on provisions in law that authorize county boards of supervisors to elect to levy an additional penalty in the amount of \$2 for every \$10 upon fines, penalties, and forfeitures collected for criminal offenses (which provide funding for pediatric trauma services) until January 1, 2037.

COMMENTS

Emergency Departments (EDs). According to the California Health Care Foundations' (CHCF) *2025 Emergency Departments' Almanac*, EDs provide a critical source of health care to people with acute medical conditions and those who have experienced trauma or injury. EDs treat all patients regardless of their ability to pay. They also provide an important entry point for inpatient hospital care. In 2023, 330 acute care hospitals in California operated a licensed ED. Between 2013 and 2023, the number of EDs remained relatively stable, but visits increased by 17%, with 14.9 million visits in 2023. This growth in ED visits far outpaced the state's overall population increase of 2%.

Effects of H.R. 1 on California's EDs. The passage of H.R. 1 creates Medicaid eligibility requirements that will result in many people losing Medi-Cal coverage due to either immigration status, work requirements, or administrative burden. In California the Medi-Cal program covers more than half of the state's children, 2.2 million seniors and people with disabilities, one in five working Californians, and millions of other people with low incomes. H.R. 1 is expected to cut \$30 billion a year in federal funding from Medi-Cal, reducing overall access to care and possibly pushing some safety net providers into dire straits, according to the California Budget and Policy Center. As noted in the CHCF report, some immigrants lawfully living in California, including victims of human trafficking and domestic violence, will lose Medi-Cal eligibility starting Oct. 1, 2026. They will retain eligibility only for emergency Medi-Cal benefits and lose benefits for preventive care, primary care, specialty care, and other nonemergency medical services. As the uninsured population rises, more medical bills will go unpaid, cutting revenue for California's health care safety net, including EDs.

Maddy EMS Funds. Current law authorizes counties to establish a Maddy EMS Fund, through the adoption of a resolution by the board of supervisors, to reimburse physicians/surgeons and hospitals for the cost of uncompensated emergency care and for other discretionary EMS purposes. The Maddy EMS Fund is administered by each county, except when a county elects to have the state administer its medically indigent services program, then the county may also elect to have its Maddy EMS Fund administered by the state.

Current law also authorizes counties that have established the supplemental assessment, to establish a Richie's Fund, as part of the Maddy EMS Fund. The Richie's Fund provides funding for pediatric trauma centers throughout the county. Counties that do not maintain a pediatric trauma center must utilize the money deposited into the fund to improve access to, and coordination of, pediatric trauma and emergency services in the county, with preference for

funding given to hospitals that specialize in services to children, and physicians and surgeons who provide emergency care for children. The expenditure of the Richie's Fund is limited to reimbursement to physicians/surgeons and hospitals for the cost of uncompensated emergency care.

2022-23 Maddy EMS Fund Report. Each county with an established Maddy EMS Fund is required to report to the California Emergency Medical Services Authority (EMSA) annually on the implementation and status of the fund for the immediately preceding fiscal year and requires EMSA to forward a summary of each county's report to the appropriate policy and fiscal committees of the Legislature.

Fifty-one counties have established the Maddy EMS Fund (Original Assessment), and 37 of these counties have established Richie's Fund (Supplemental Assessment). For Fiscal Year (FY) 2022-23, 47 counties submitted reports to the EMSA in accordance with current requirements. Alameda, Modoc, Mono, and Nevada Counties did not submit reports; therefore, their data is not included. The beginning balance on July 1, 2022, was \$32 million. That amount, combined with interest, other deposits, penalty collection deposits, and reimbursements from both physicians/surgeons and hospitals, provided for a combined total of \$80.5 million in the fund statewide. Expenditures for FY 2022-23 totaled \$46.2 million, leaving a balance of \$34.4 million in the fund on June 30, 2023.

According to the Author

California's Emergency Departments (EDs) are the health care safety net and the front lines of any public health emergency. With numbers on the rise, over 15 million Californians visit an ED across the state each year. The Maddy EMS Fund was designed to support patients and providers, ensuring those who need care can receive it and those who provide care can be reimbursed for it. Without the Maddy EMS Fund, we will see EDs across this state, including at rural hospitals, shutter their doors.

Arguments in Support

The Emergency Medical Services Administrators Association of California and the California Chapter of the American College of Emergency Physicians are the co-sponsors of this bill and states EDs are required to treat people regardless of whether they have insurance. The co-sponsors note that the Maddy EMS Fund is a mechanism that allows hospitals and physicians to apply to their county for reimbursement. Due to recent changes at the federal level, it is expected that more people will lack medical coverage and still seek medical care, and likely at higher rates due to lack of preventative healthcare.

Arguments in Opposition

Debt Free Justice California (DFJC), is opposed to this bill unless it is amended to fund the Maddy EMS Fund fee through more sustainable means. DFJC states this bill would permanently authorize county boards of supervisors to assess an additional 20% penalty to all criminal legal system fines and fees to fund emergency medical services. DFJC notes that they wholeheartedly support the accessibility of EMS, however, they oppose this bill because the Maddy EMS Fund fee is an ineffective and regressive revenue source for these essential medical services, especially in light of the California Supreme Court's recent holding in *People v. Kopp*. *Kopp*, which held that fees assessed to individuals must consider those individuals' ability to pay such fees, will drastically reduce any revenue previously generated from the Maddy EMS Fund fee and will necessitate additional funding for EMS if such services are to operate at current capacity.

California's persistent poverty crisis and the People v. Kopp decision will make collections for the Maddy EMS Fund increasingly unstable. Although the Maddy EMS Fund fee is discretionary, virtually all counties throughout California assess this tax. DFJC states that research demonstrates that criminal fees cause lasting financial and emotional harm to system-impacted people and their families, often forcing families to choose between putting food on the table and paying their debt.

FISCAL COMMENTS

None.

VOTES

ASM HEALTH: 16-0-0

YES: Bonta, Chen, Addis, Aguiar-Curry, Pacheco, Caloza, Carrillo, Mark González, Johnson, Patel, Patterson, Rogers, Sanchez, Schiavo, Sharp-Collins, Stefani

ASM PUBLIC SAFETY: 9-0-0

YES: Schultz, Alanis, Mark González, Haney, Harabedian, Lackey, Nguyen, Ramos, Sharp-Collins

UPDATED

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