THIRD READING

Bill No: AB 1607
Author: Mark González (D), et al.
Amended: 3/26/26 in Assembly
Vote: 21

SENATE HEALTH COMMITTEE: 11-0, 6/17/26
AYES: Weber Pierson, Valladares, Caballero, Durazo, Gonzalez, Grove, Menjivar, Padilla, Pérez, Rubio, Smallwood-Cuevas

SENATE PUBLIC SAFETY COMMITTEE: 6-0, 6/30/26
AYES: Arreguín, Seyarto, Caballero, Cortese, Pérez, Wiener

ASSEMBLY FLOOR: 72-1, 4/20/26 - See last page for vote

**SUBJECT:** Emergency medical services

**SOURCE:** California Chapter of the American College of Emergency Physicians
Emergency Medical Services Administrators' Association of California

**DIGEST:** This bill extends the sunset date, from January 1, 2027 to January 1, 2037, on both the portion of the Maddy Emergency Medical Services (EMS) Fund that provides funding for pediatric trauma centers, and on a provision that authorizes counties to levy an additional penalty in the amount of $2 for every $10 on fines and penalties imposed on all criminal offenses for deposit in the Maddy EMS Fund.

**ANALYSIS:**

Existing federal law: Establishes the Emergency Medical Treatment and Labor Act (EMTALA), which requires hospitals with an emergency department (ED) to provide an appropriate medical screening examination to determine whether or not an emergency medical condition exists to any requesting individual. Requires, if

the hospital determines that the individual has an emergency medical condition, to provide either:

a) Within the staff and facilities available at the hospital, further medical examination and treatment as required to stabilize the medical treatment; or,

b) Transfer of the individual to another medical facility that can provide the appropriate treatment. [42 U.S. Code §1395dd]

Existing state law:

1) Establishes provisions similar to the federal EMTALA law that require a hospital with an ED to provide emergency services and care to any person regardless of their ability to pay. [Health and Safety Code (HSC) §1317]

2) Establishes the Maddy EMS Fund, which authorizes each county to establish an EMS fund, upon the adoption of a resolution by the board of supervisors. [HSC §1797.98a]

3) Requires the amount in a Maddy EMS Fund, reduced for administration and a reserve, to be utilized to reimburse physicians and surgeons and hospitals for patients who do not make payment for EMS and for other EMS purposes as determined by each county, according to the following schedule:

   a) 58% of the balance of the fund distributed to physicians for emergency services provided by all physicians, except those employed by county hospitals, in general acute care hospitals that provide basic, comprehensive, or standby emergency services up to the time the patient is stabilized;

   b) 25% of the fund distributed only to hospitals providing disproportionate trauma and emergency medical care services; and,

   c) 17% of the fund distributed for other EMS purposes as determined by each county, including, but not limited to, the funding of regional poison control centers. Authorizes funding to be used for purchasing equipment and for capital projects only to the extent that these expenditures support the provision of emergency services and are consistent with the intent of the fund. [HSC §1797.98a(b)(5)]

4) Requires each county to levy an additional penalty in the amount of $7 for every $10, or part of $10, upon every fine, penalty, or forfeiture imposed and collected by the courts for all criminal offenses, including all offenses involving a violation of the Vehicle Code. Requires a portion of these additional penalty

funds to support the Maddy EMS Fund. [Government Code (GOV) §76000(a) and HSC §1797.98a(c)]

5) Authorizes, in addition to the penalties in Existing Law 4) above, the county board of supervisors to levy an additional penalty in the amount of $2 for every $10, or part of $10, upon every fine, penalty, or forfeiture imposed and collected by the courts for all criminal offenses, including violations related to the control of alcoholic beverages, and all offenses involving a violation of the Vehicle Code, for purposes of supporting the Maddy EMS Fund. Sunsets this additional penalty on January 1, 2027. [GOV §76000.5]

6) Requires, of the penalty funds collected from the additional $2 penalty, 15% to be utilized to provide funding for all pediatric trauma centers throughout the county, both publicly and privately owned and operated. This is known as "Richie's Fund." Requires the expenditure of this money to be limited to reimbursement to physicians, and to hospitals for patients who do not make payment for emergency care services provided to pediatric trauma patients at trauma centers and other hospitals providing care to pediatric trauma patients, or at pediatric trauma centers, including the purchase of equipment. Authorizes local EMS agencies to conduct a needs assessment of pediatric trauma services in the county to allocate these expenditures. Requires counties that do not maintain a pediatric trauma center to utilize Richie's 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 who provide emergency care for children. Sunsets the provisions establishing Richie's Fund on January 1, 2027. [HSC §1797.98a(e)]

7) Requires each county establishing a Maddy EMS fund to report to the California EMS Authority (EMSA) on the implementation and status of the EMS fund. Requires EMSA to compile and forward a summary of each county's report to the Legislature. [HSC §1797.98b]

This bill:

1) Extends the sunset date, from January 1, 2027 to January 1, 2037, on the portion of the Maddy EMS Fund that provides funding for reimbursement to physicians and hospitals for pediatric trauma care.

2) Extends the sunset date, from January 1, 2027 to January 1, 2037, on the provisions in law that authorize counties to levy an additional penalty in the amount of $2 for every $10, or part of $10, upon every fine, penalty, or

forfeiture imposed and collected by the courts for all criminal offenses for purposes of deposit in the Maddy EMS Fund.

**Comments**

According to the author of this bill:

> California's 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 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 Fund, we will see ED across this state, including at rural hospitals, shutter their doors.

**Background**

*EMTALA.* According to the U.S. Department of Health and Human Services, Congress enacted EMTALA in 1986 to ensure public access to emergency services regardless of ability to pay. EMTALA requires that anyone coming to an ED requesting evaluation or treatment of a medical condition receives a medical screening examination. If a patient has an emergency medical condition, the hospital must provide stabilizing treatment, irrespective of the patient's insurance status or ability to pay. If the hospital does not have the capabilities required to stabilize the patient, then the hospital is required to provide an appropriate transfer to a hospital that can provide the necessary treatment. A hospital that has the needed specialized capabilities and capacity may not refuse to accept the transfer. This requirement to provide emergency care also applies to undocumented immigrants and unhoused individuals. Once the hospital admits the individual as an inpatient for further treatment, however, the hospital's obligation under EMTALA ends.

*Emergency physicians.* The American Board of Medical Specialties defines emergency physicians as physicians who focus on the immediate decision making and action necessary to prevent death, or any further disability, both in the pre-hospital setting by directing emergency medical technicians and in the ED. Emergency physicians provide immediate recognition, evaluation, care, stabilization, and disposition of adult and pediatric patients in response to acute illness and injury. The Medical Board of California states that the Corporate Practice of Medicine doctrine prohibits the direct employment of physicians by hospitals, with some exceptions. This prohibition is intended to minimize undue influence or interference with the physician's judgement and physician-patient

relationship. Hospitals instead contract with emergency medicine practice groups or third-party management organizations to staff their EDs. Therefore, emergency physicians bill separately from the hospital for their specialty services. The California Medical Billing & Revenue Management highlights that the urgent and unpredictable nature of emergency services often leads to issues such as out-of-network billing and challenges in collecting payments from uninsured or underinsured patients.

*Maddy EMS Fund.* According to EMSA, in 1987, the Legislature concluded that EMS providers, "bore higher costs for their services but often received only partial or no payments from patients." In response, SB 12 (Maddy, Chapter 1240, Statutes of 1987) established the Maddy EMS Fund to allow counties to help provide reimbursement to physicians and hospitals for treating uninsured patients seeking emergency services. SB 12 permits participating counties to levy an additional penalty of $7 for every $10 upon every fine, penalty, or forfeiture imposed and collected by the courts for all criminal offenses, including all offenses that involve a violation of the Vehicle Code, to provide funding for the Maddy EMS Fund.

*Richie's Fund.* SB 1773 (Alarcon, Chapter 841, Statutes of 2006) built onto SB 12 by adding an additional penalty assessment of two dollars for every ten dollars on applicable fines, penalties, and forfeitures, and requires, of the money deposited from this additional penalty assessment, 15% to provide funding for all pediatric trauma centers, including reimbursement to physicians and hospitals providing care to pediatric trauma patients, with a sunset date of January 1, 2009. This portion of the Maddy EMS Fund is known as "Richie's Fund." The Legislature has since then extended the authorization for counties to continue collecting for the Richie's Fund several times. Currently, this authorization extends through January 1, 2027.

*Maddy EMS Fund Statewide Report Summary.* Each county with an established Maddy EMS Fund is required to report to the EMSA annually on the implementation and status of the fund. The most recent Maddy EMS Fund Statewide Report of FY 2022-23 states that 51 counties have established the Maddy EMS Fund, and 37 of those counties have established the Richie's Fund. Alameda, Modoc, Mono, and Nevada Counties did not submit reports to the EMSA and are therefore not included in the reported data. At the start of the fiscal year on July 1, 2022, the balance reported was $32 million. The total penalty revenue deposited, reimbursements, interest, and other deposits totaled $46.7 million. Combined with the beginning balance, as well as with the maintained reserve, the total funds available for disbursement in fiscal year (FY) 2022-23 were approximately $80 million. In the FY 2022-23, the distributions totaled $47.9

million. Of that amount, $3 million was allocated to the Richie's Fund, $23 million to physicians, and $9 million to hospitals. The remaining amount was used for county administration costs and other discretionary EMS. The fiscal year ending balance on June 30, 2023, totaled $34 million.

*Pediatric trauma care.* A statistical briefing from the Agency for Healthcare Research and Quality titled "Overview of Pediatric ED Visits, 2015" states that pediatric ED visits constitute roughly 20% of all ED visits in the U.S. Moreover, KidsData by the Population Reference Bureau found that there were over 1.5 million pediatric ED visits in California in 2020. The briefing further notes that more than 60% of pediatric ED visits in the U.S. in 2015 were covered by Medicaid. Pediatric ED visits for patients without insurance were less common, constituting 6.4% and 2.7% of treat-and-release and admitted pediatric ED visits, respectively.

A 2025 journal article in *JAMA Pediatrics* titled, "Pediatric Readiness and Trauma Center Access for Children," found in their cross-sectional study of children in the U.S. that access to pediatric trauma care was not universal, and that children living in rural areas were less likely to have access to timely care at a pediatric trauma center. Their analysis also found that pediatric trauma centers continue to be concentrated in metropolitan areas. In fact, the 2025 news article in the *San Francisco Chronicle* reported that Providence Santa Rosa Memorial Hospital, a major trauma center with the only full-time inpatient pediatric unit between the North Bay and the Oregon Border, closed in March of 2026. While the hospital's ED will continue providing pediatric care, those who need to be admitted will be transferred to pediatric-ready hospitals in San Francisco, Oakland, or Sacramento. The chief medical officer for Northern California for Providence Medical Group and Clinical Network stated that, "As a not-for-profit health care organization primarily serving Medicare and Medi-Cal patients, repurposing the inpatient pediatric unit to expand adult inpatient capacity, where demand is significantly higher, enables us to align our limited resources with the evolving needs of the community." This closure follows recent trends across the U.S. According to the 2024 research letter, "National Trends in Pediatric Inpatient Capacity," in *JAMA Pediatrics*, U.S. hospitals closed nearly 30% of pediatric units, compared to 4% of inpatient adult units, between 2008 and 2022.

*H.R. 1.* H.R. 1, a vast budget reconciliation bill, makes a number of changes primarily to lower taxes, increase funding for immigration control and national defense, and restrict access to, and funding for, SNAP and Medicaid. Medicaid payments were reduced by defunding family planning providers that provide abortions, prohibiting new or increased provider taxes to fund Medicaid and

requiring a gradual reduction of existing provider taxes, capping the rate the state may set for certain services, reducing the federal share of payment for emergency services to adults with unqualified immigration status, and making changes in allowable payments under federal waiver programs. H.R.1 also made a number of changes to the Medicaid eligibility rules, which were enacted to reduce the number of people receiving assistance through the Medicaid program.

The UC Berkeley Labor Center estimates that 1.87 million adults in the state will lose coverage due to the work requirements, and 270,000 will lose coverage due to the semiannual eligibility redeterminations. The most recent estimate from the Department of Health Care Services (DHCS) in the *Implementation Plan for New Federal Eligibility and Enrollment Changes Under H.R. 1,* released on January 29, 2026, estimates up to 1.8 million will lose coverage due to work requirements, increased renewals, and the normal churn of individuals transitioning from Medi-Cal to Covered California. DHCS has also shared that approximately 200,000 immigrants will no longer have satisfactory immigration status due to the H.R. 1 change regarding immigrant eligibility and, according to the current Governor's budget proposal, will lose full-scope Medi-Cal. This means that emergency physicians and hospitals will likely see an increase of patients without insurance as the federal changes come into effect.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: No Local: No

**SUPPORT:** (Verified 7/1/26)

California Chapter of the American College of Emergency Physicians (co-source)
Emergency Medical Services Administrators' Association of California (co-source)
American Academy of Pediatrics, California
American College of Surgeons: Southern and San Diego Chapters
American Medical Response West
California Ambulance Association
California Children's Hospital Association
California Fire Chiefs Association
California Hospital Association
California Medical Association
California State Association of Counties
California State Sheriffs' Association
Children's Specialty Care Coalition
County Health Executives Association of California
County of Alameda
County of Contra Costa

County of Kern
County of Napa
County of San Diego
County of Ventura
County of Yolo
County of Yuba
Dignity Health Marian Regional Medical Center
Health Officers Association of California
National Association of EMS Physicians
North Coast EMS
Northern California EMS, Inc.
Santa Barbara Cottage Hospital
SHARP Healthcare
Sierra - Sacramento Valley EMS Agency

**OPPOSITION:** (Verified 7/1/26)

American Civil Liberties Union California Action
Debt Free Justice California

**ARGUMENTS IN SUPPORT:** The co-sources of this bill, the California Chapter of the American College of Emergency Physicians and the Emergency Medical Services Administrators' Association of California, write that emergency care in this state is in crisis. In the past decade, ED visits are up, and wait times continue to increase. ED closures are also on the rise, with closures like Glenn Medical Center leaving entire counties without access to emergency care. The U.S. Census Bureau reported California's uninsured rate for 2024 was 5.9%, or 2.3 million individuals. However, the proportion of uninsured patients can be much higher in the ED, as it is often the only place that these individuals can access care. Changes to Medi-Cal as a result of H.R.1 are estimated to drastically increase the number of uninsured over its implementation period. This massive loss of coverage as a result in the changes in eligibility would likely raise the proportion of uninsured ED visits. The co-sponsors add that in order to help offset the increasing costs of uninsured ED visits in California, it is important to preserve each county's ability to supplement their Maddy EMS Fund. The County of Alameda asserts that within their county, this funding supports a healthcare system that faces substantial emergency care demand. Across all hospitals in their county, EDs provide an estimated 350,000 emergency visits annually, reflecting the vital role emergency services play in protecting public health and responding to urgent medical needs. The County of Alameda states that allowing the Maddy EMS Fund provisions to sunset would increase uncompensated care burdens on hospitals and emergency

physicians, placing additional financial strain on safety-net providers and potentially affecting physician staffing levels, trauma care capacity, ED operations, and patient access to care. The American Academy of Pediatrics (Academy) furthers that in California alone, there were over 1.5 million ED visits among children ages 0-17 in a single year. Many of these visits involve injuries or acute conditions requiring rapid access to appropriately equipped facilities and trained personnel. The Academy states that trauma remains the leading cause of death and disability among children in the U.S., and outcomes are significantly improved when children receive care at designated pediatric trauma centers. The current requirement that 15% of the funds from the additional penalties are directed toward pediatric trauma and emergency services has helped strengthen pediatric readiness, improve coordination, and support regional systems of care. Without sustained funding, children, particularly those in rural or underserved communities, may face longer transport times and reduced access to specialized care.

**ARGUMENTS IN OPPOSITION:** Both American Civil Liberties Union California Action (ACLU) and Debt Free Justice California (DFJC) oppose this bill unless it is amended to fund the Maddy EMS Fund through more sustainable means, such as through general fund dollars or a progressive excise tax. Although ACLU and DFJC support the accessibility of EMS, they oppose this bill as the funding source for the Maddy EMS Fund is an ineffective and regressive revenue source for these essential medical services. They note the California Supreme Court's recent ruling in *People v. Kopp*, which held that fees assessed to individuals must consider those individuals' ability to pay such fees; concluding that this will likely reduce the revenue previously generated from the EMS Fund fee and will necessitate additional funding for EMS to allow services to continue operating at their current capacity. California's persistent poverty crisis and the *People v. Kopp* decision will make collections for the Maddy EMS Fund increasingly unstable. Furthermore, ACLU and DFJC add that research demonstrates that criminal fees cause lasting financial and emotional harm to individuals impacted by the judicial system and their families, often forcing many to choose between putting food on the table and paying their debt.

ASSEMBLY FLOOR: 72-1, 4/20/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Dixon, Elhawary, Ellis, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez,

Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Wicks, Wilson, Zbur, Rivas
NOES: DeMaio
NO VOTE RECORDED: Bonta, Flora, Lackey, Patterson, Celeste Rodriguez, Tangipa, Ward

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7/30/26 14:49:17

****** END ******