
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2311 (Schiavo) - Health care districts: employment

Version: July 2, 2026

Policy Vote: B., P. & E.D. 10 - 0, HEALTH
10 - 0

Urgency: No

Mandate: No

Hearing Date: August 13, 2026

Consultant: Janelle Miyashiro

Bill Summary: AB 2311 provides, until January 1, 2037, an exemption from the ban on the corporate practice of medicine (CPM) for specified healthcare districts and affiliated nonprofit corporations that operate general acute care hospitals, subject to certain conditions.

***** ANALYSIS ADDENDUM – SUSPENSE FILE *****

The following information is revised to reflect amendments
adopted by the committee on August 13, 2026

Fiscal Impact:

- The Medical Board of California (MBC) estimates costs of \$178,000 in Fiscal Year (FY) 2026-27, \$179,000 in FY 2027-28, and \$205,000 annually ongoing, which is anticipated to be absorbable (MBC Contingent Fund). This estimate covers the workload to update outreach materials, web content, and staff training, alongside supervisory, legal, and IT review. While the exact magnitude of any additional enforcement workload is unknown, it is expected to be absorbable assuming 100 complaints and five Health Quality Investigation Unit and Attorney General cases annually.
- The Osteopathic Medical Board of California (OMBC) does not anticipate a fiscal impact (OMBC Contingent Fund).

Author Amendments: Add a coauthor.

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