

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2353 (Pacheco) – As Amended April 28, 2026

Policy Committee: Health

Vote: 11 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

This bill requires the Department of Health Care Access and Information (HCAI) to seek to partner with the University of California (UC) to develop a plan to establish the Center for Health Provider Policy Impact (Center) to assess and evaluate the impact of state and federal policies on hospitals, including health care delivery, access, workforce, and system sustainability, and would require the center to create and publish reports at least annually. The bill establishes a fund and requires HCAI to assess fees on hospitals to fund the UC's activities of the Center.

**FISCAL EFFECT:**

HCAI estimates costs of approximately \$500,000 General Fund in fiscal year (FY) 2026-27 for one-time vendor support for modifications to the data request portal and data transmission. HCAI estimates staffing costs in FY 2026-27 of approximately \$2.44 million General Fund to support 11 positions and approximately \$2.64 million General Fund in FY 2027-28 and ongoing, for a total of 12 positions. HCAI states these staff are needed to manage project activities, coordinate inter-agency agreements, and support system enhancements and technical operations; format data products and support content development; lead work evaluating the impacts of state and federal policies on health care delivery, access, workforce capacity, and system sustainability in collaboration with UC partners; conduct advanced analyses and complex data modeling; provide legal support and advice on partnership development, privacy and security requirements, and regulatory activities necessary for fee assessment and collection; manage receivables, reconciliations, ensure revenue accuracy; and ensure information security and privacy compliance, including response to potential cybersecurity or privacy incidents.

The UC estimates costs of approximately \$3.5 million annually, to implement this bill, and notes the cost could be greater, depending on the number of reports and complexity of the analysis. The UC's costs would be for staff to manage the center, lead the analysis work, acquire and securely store data, and perform data analytics. Other staffing needs include editing, research expertise, peer review, and subject matter expertise. The UC anticipates additional costs to include facility, infrastructure, technology, administration and the development and maintenance of new data analytics tools. This bill provides for the collection of up to \$3 million per year in hospital fees to fund the UC's work to implement this bill (Health Provider Impact Fund, which will be created pursuant to the provisions of this bill).

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

**COMMENTS:**

**Purpose.** This bill is sponsored by the California Hospital Association. According to the author:

Hospital care in California is under threat. Nearly 45% of the state's hospitals operate at a deficit. In 2025, financial strain forced hospitals and health systems to lay off nearly 3,500 workers. Three hospitals closed in the last three years, and dozens more have reduced services.

Each year, state policymakers consider hundreds of health care-related bills – often absent independent information about how each proposal will affect patient costs or access to care. To confront health care affordability, we need to understand the factors that are driving costs, including the impact of new regulatory requirements on hospitals.

[This bill] tasks the [HCAI], in partnership with [UC], with reviewing legislation that places additional requirements on hospitals, so that lawmakers understand the cost and patient impact before making legislative decisions. This bill gives the Legislature a clearer picture of how policies affect hospitals – and ultimately, the people they serve.

**Analysis Prepared by:** Allegra Kim / APPR. / (916) 319-2081