



March 25, 2024

The Honorable Laura Friedman
California State Assembly District 44
1021 O Street, Suite 5150
Sacramento, CA 95814

Re: AB 2297 (Friedman) Hospital and Emergency Physician Fair Pricing Policies - Support

Dear Assemblymember Friedman,

On behalf of the California State Association of Psychiatrists (CSAP), I write to you in support of AB 2297, which better protects patients and their families through modernizing the Hospital Fair Pricing Act by improving access to financial assistance and prohibiting liens on homes to collect unpaid medical bills.

Medical debt is a significant driver of bankruptcy, poverty, and racial inequities. Over a third (38%) of Californians report having medical debt, and hospital debt makes up over 70% of medical debt.

While most hospitals have a charity care program, some continue to charge even the lowest income uninsured patients. While the law requires the processing of applications at any time, many hospitals impose arbitrary deadlines, and, as a result, disqualify eligible patients from financial assistance. To remedy this, AB 2297 clarifies in statute that hospitals must review financial assistance eligibility at any time and distinguishes “charity care” as free care rather than discounted care.

Further, existing law falls short of protecting low- and moderate- income patients who own homes due to a loophole that allows debt collectors to place liens on patients’ homes to collect unpaid hospital bills. AB 2297 expressly prohibits home liens in the collection of unpaid hospital bills from financially qualified patients.

Finally, AB 2297 addresses two eligibility rules that require clarification and change. The bill certifies that hospitals must consider all cost-sharing (including Medi-Cal share of cost and Medicare co-pays) as part of a patient’s out-of-pocket costs as they are considered for financial assistance. Additionally, it eliminates the consideration of assets in determining charity care eligibility, similar to recent action by Medi-Cal.

For these reasons, CSAP is pleased to support AB 2297.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Yoder', is positioned below the 'Sincerely,' text.

Paul Yoder
Legislative Advocate

CC: Chair and Members, Assembly Health Committee