FOR IMMEDIATE RELEASE  
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SACRAMENTO-BASED COMMUNITY BENEFIT PROGRAMS SAY  
AB 975 WOULD THREATEN FUNDING FOR VITAL SERVICES  
Statewide Coalition Releases New Online Video Demonstrating Impact of Politically-Motivated Bill

SACRAMENTO, CA – In a new online video released today, representatives from two Sacramento-based community benefit programs that receive funding from local non-profit hospitals shared how their patients and clients would be impacted under proposed legislation that threatens charity care funding.

“I think the basic safety net would be devastated,” said Dr. Jonathan Porteus, CEO of WellSpace Health. “What communities need is to transform their safety net into a safety blanket. And most communities like Sacramento County lack a real blanket of care for low-income people. Community benefit is the thing that has helped us build that blanket of care more than anything else.”

WellSpace Health runs the Interim Care Program (ICP), a collaboration of Sacramento hospital systems, community based organizations, and the county government--all of whom have come together to create a respite care program for homeless patients who are discharged from a hospital. The program receives funding from local hospitals and more than 600 patients have been served in this innovative program that has been replicated by other communities and received statewide and national attention.

The ICP is just one of thousands of charity care programs that would be threatened by Assembly Bill 975. Authored by Assemblymembers Bob Wieckowski (D-Fremont) and Rob Bonta (D-Alameda), AB 975 would subjectively revoke a hospital’s non-profit status, threatening local trauma centers, emergency services, burn units, neonatal care, cancer research, and training for health care professionals. The bill creates a “guilty until proven innocent” burden by imposing a vague and uncertain standard to revoke the tax status for certain not-for-profit hospitals that report an operating margin of more than 10 percent.

“AB 975 is ill-conceived and ill-timed, as it would undermine California’s efforts to successfully implement the Affordable Care Act,” said C. Duane Dauner president and CEO of the California Hospital Association. “This legislation would impose an unnecessary and burdensome layer of new regulations on California hospitals that already provide community benefit programs. Now is not the time to threaten their availability by causing more financial instability or eroding local control.”

Under current law, hospitals must invest all money above their expenses back into a wide range of community services and programs. Examples include major improvements in medical technology, improved diagnostic or treatment equipment, or building upgrades and replacements required by state law. Threatening to revoke a hospital’s not-for-profit status based on a single measure at one point in time places important community services at risk.

(MORE)
AB 975 will hurt local hospitals that use community benefit plans tailored to meet local needs. Instead, state bureaucrats would establish “one-size-fits-all” mandatory reporting requirements that do not account for regional diversity, and will hamper the ability to serve the uninsured, underinsured, and the public at large. Hospitals would be required to address every identified need, regardless of the financial impact and would then be held responsible for whether or not the societal need is improved.

“What is concerning is that health systems wouldn’t have the freedom with funds to make very strategic investments in community programs like ours,” said Kelly Bennett-Wofford, executive director of “Sacramento Covered,” a nonprofit group that educates, assists and enrolls uninsured residents in Sacramento County.

Bennett-Wofford and Porteus are featured in a new online video released by Caring is our Calling, a project sponsored by the California Hospital Association to demonstrate the real-world impacts of AB 975. Coalition members opposed to the bill include Adventist Health, Alliance of Catholic Health Care, California Chamber of Commerce, California Hospital Association, California Medical Association, Enloe Medical Center, Kaiser Permanente, Memorial Care Health System, Scripps Health and SEIU-UHW.

To watch the video or to learn more please visit www.CaringisourCalling.org.

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