



May 12, 2021

The Honorable Laurie Davies
California State Assembly
31473 Rancho Viejo Road Suite 104
San Juan Capistrano, CA 92675

RE: AB 650 (Muratsuchi) – OPPOSE

Dear Assemblywoman Davies,

On behalf of the South Orange County Economic Coalition (SOCEC), I write to you today in strong opposition to AB 650 (Muratsuchi) – a costly, arbitrary and inequitable bill that mandates extra pay for some health care workers but excludes millions of other health care and essential workers. AB 650 would impose an estimated \$6 billion statewide in unfunded increase costs on hospitals, doctors and health care providers that will be passed along to patients in the form of higher insurance rates and copays and reduced access to vital health services. SOCEC joins a broad coalition of community clinics, hospitals, doctors, nurses and other providers who are strongly opposed to AB 650, the arbitrary extra pay mandate.

SOCEC is south Orange County's leading voice of business focusing on four key areas: Advocacy, Education, Representation and Progress for south Orange County issues. Representing hundreds of employees, SOCEC is an alliance of businesses, community thought-leaders and stakeholders committed to enhancing the region's economic vitality.

First, health care workers are heroes, serving our communities valiantly during the COVID-19 pandemic. AB 650 is equally troubling as it also costly for patients. The measure would impose an estimated \$6 billion statewide in unfunded increased costs that will be passed along to patients in the form of higher insurance rates, increased copays and reduced access to vital health services.

AB 650 mandates extra pay to workers at private hospitals, clinics, physicians' offices, surgery centers and other providers but EXCLUDES tens of thousands of workers at government-run hospitals and clinics, which will result in larger numbers of workers from government-run and smaller hospitals and clinics fleeing for private and larger hospitals. This will lead to staffing shortages and jeopardize access to care at public hospitals, clinics and smaller providers.

This massive \$6 billion unfunded mandate could also force many hospitals, clinics and other providers to reduce hours, forgo pay and benefit improvements, or even cutting staff altogether – hurting the very workers AB 650 is intended to help. Complying with this mandate will force hospitals to consider and make difficult and unpopular, but necessary work force decisions.

For these reasons and more, the South Orange County Economic Coalition strongly opposes AB 650.

Sincerely,

Barbara J. Thomas
Executive Director