

April 24, 2013

To The Honorable Raul Bocanegra, Chair
Revenue and Tax Committee
California State Assembly
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0024
VIA Facsimile to: (916) 319-2139

RE: AB 975

Dear Assemblymember Bocanegra,

On behalf of Prevention Institute, I am writing to strongly oppose AB 975, which dramatically rewrites state law governing hospital non-profit status and unfairly narrows how charity care and community benefit are defined, calculated, and credited. This proposed legislation would severely limit the range of effective, community-based initiatives that improve health and ultimately reduce health care costs in communities across California, especially in those communities that are most at risk for poor health outcomes.

Prevention Institute is a national center dedicated to improving community health and well-being by building momentum for effective primary prevention of illness and injury. As an organization, we support policies and strategies that move our health system from one that focuses primarily on treating people *after* they have become sick or injured, to one that prevents people from becoming sick and injured *in the first place*.

Currently, California law allows hospital community benefit funding to focus on strategies that prevent disease, save lives, and control health care costs. The changes proposed in AB 975 would disallow funding for community-based prevention, instead directing resources solely toward disease management and treatment through charity care. Such a change is unbalanced, and would unfairly harm millions of low-income families who are most at risk for developing chronic diseases and will most benefit from disease prevention strategies that create healthier environments in the places we live, learn, work, and play.

While we understand the importance of charity care, it is not the only health need that our communities have. It is well understood that seven out of 10 deaths among Americans are caused by chronic, often preventable, conditions, such as heart disease, stroke, diabetes, avoidable injuries and some kinds of cancer, and these conditions account for roughly three-quarters of our national health care spending.ⁱⁱⁱ We need to foster a health system that supports a broad range of strategies to prevent these conditions—not a health system that hinders prevention strategies by slashing funding, as AB 975 proposes.

With health care reform underway in California, policymakers should be encouraging new innovations to improve the health of our communities, not stifling them. We urge you to oppose AB 975, which will create greater need and worse health outcomes in communities across the state.

Sincerely,



Larry Cohen, MSW
Executive Director, Prevention Institute

ⁱ Kung HC, Hoyert DL, Xu JQ, Murphy SL. Deaths: final data for 2005. National Vital Statistics Reports 2008;56(10). Available from: http://www.cdc.gov/nchs/data/nvsr/nvsr56/nvsr56_10.pdf

ⁱⁱ Institute of Medicine (2012). For the Public's Health: Investing in a Healthier Future. Available at: <http://www.iom.edu/Reports/2012/For-the-Publics-Health-Investing-in-a-Healthier-Future.aspx>.