



April 22, 2021

The Honorable Ash Karla
 Chair, Assembly Committee on Labor and Employment
 Legislative Office Building
 1020 N Street, Room 155
 Sacramento, CA 95814

Re: AB 650 (Muratsuchi): Health care workers: COVID-19: hazard pay retention bonuses – OPPOSE

Dear Chair Karla:

On behalf of the above business organizations in the Inland Empire, we write to express our opposition to AB 650, which would require specified health care providers to pay hazard pay retention bonuses in prescribed amounts on January 1, 2022, April 1, 2022, July 1, 2022, and October 1, 2022, to each covered health care worker that it employs.

The bill would mandate extra pay for some health care workers, while excluding millions of other essential workers. This arbitrary mandate is inequitable for both workers and health care providers. The measure would impose billions of dollars in unfunded new costs on health care providers, many already financially reeling from the pandemic, and would jeopardize access to care at the worst possible time.

Health care workers are indeed heroes, serving our communities valiantly during the COVID-19 pandemic. AB 650 singles out private hospitals, district hospitals, clinics, physicians’ offices, surgery centers, and other providers for the extra pay mandate, but arbitrarily EXCLUDES tens of thousands of workers at county hospitals and clinics, University of California (UC) hospitals, as well as smaller clinics, physicians’ offices, and health care providers with fewer than 100 employees. This bill would impose an estimated \$6 billion in unfunded increased costs that will be passed along to patients in the form of higher insurance rates and copays and reduced access to vital health services. This increase in health care costs would come at a time when many Californians are suffering financially and will only widen the gaps in access to health care among low-income and disadvantaged communities.

In addition, many health care providers are already operating at a loss. For instance, some 40% of California hospitals were operating at a loss before the pandemic, and that number has only grown worse. At the same time, hospitals, clinics, and other providers have lost billions as a result of increased obligations during the pandemic and decreased patient revenues. Faced with billions in unfunded higher costs, many health care providers would need to reduce or eliminate services or even shut down altogether. This would only jeopardize access to care for patients and hurt the very workers AB 650 is intended to help by reducing or eliminating health care jobs.

For these reasons and others, we urge you to oppose AB 650. If you have any questions or would like to discuss our position in greater detail, please contact Luis Portillo at 909-944-2201 or by email at lportillo@ieep.com. Thank you.

Sincerely,

Bette Rader Beaumont Chamber of Commerce	Ellen Clarke Big Bear Chamber of Commerce	Zeb Welborn Chino Valley Chamber of Commerce
Bobby Spiegel Corona Chamber of Commerce	Andrea De Leon Fontana Chamber of Commerce	Joshua Bonner Greater Coachella Valley Chamber of Commerce
Mark Creffield Greater High Desert Chamber of Commerce	Peggi Hazlett Greater Ontario Business Council	Cyndi Lemke Hemet San Jacinto Chamber of Commerce

Chris Nielsen Highland Chamber of Commerce	Paul Granillo Inland Empire Economic Partnership	Maneesha Jones Menifee Valley Chamber of Commerce
Oscar Valdepeña Moreno Valley Chamber of Commerce	Patrick Ellis Murrieta/Wildomar Chamber of Commerce	Ignacio Valdivia Perris Valley Chamber of Commerce
Monique Manzanares Pomona Chamber of Commerce	Robert Hufnagel Rancho Cucamonga Chamber of Commerce	John Mills Redlands Chamber of Commerce
Emily Falappino Temecula Valley Chamber of Commerce	Peggy Robertson Upland Chamber of Commerce	

Cc: Assembly Member Al Muratsuchi