



September 12, 2025

The Honorable Gavin Newsom
Governor, State of California
1021 O St., #9000
Sacramento, CA 95814

RE: SB 596 (Menjivar) Health facilities: administrative penalties – Request for Veto

Dear Governor Newsom,

On behalf of the members of the California Association of Public Hospitals and Health Systems (CAPH) and the millions of patients they serve, we are writing to request your veto on SB 596 (Menjivar). CAPH remains opposed to SB 596, which severely limits providers' abilities to address real-time staffing decisions in public health care systems throughout the state.

California's 17 public health care systems, which include county-operated and affiliated facilities and the five University of California health systems, are the core of the state's health care safety net. County public health care systems have a mission and mandate to deliver high-quality care to all, regardless of ability to pay or insurance status, across a comprehensive range of services. Despite representing only 6% of all hospitals statewide, public health care systems provide 35% of all Medi-Cal and uninsured hospital care. They contribute over \$4 billion annually to the Medi-Cal program, in place of the state's share, with many of their payments uniquely tied to quality and performance improvements. Additionally, these systems train a diverse and inclusive workforce, including nearly half of all new doctors in hospitals across the state.

Every day, public health care systems ensure they meet staffing ratios that require a specific number of nurses based on patients' needs — and many of our systems staff at levels higher than the minimum to account for unexpected demand, or as required by collective bargaining agreements.

SB 596 imposes a one-size-fits-all definition of "on-call list" that doesn't reflect how hospitals currently manage staffing, creating conflicts with existing collective bargaining agreements and scheduling systems. It will hinder public health care systems' ability to optimize their staffing needs. The staffing plans at public health care systems widely differ – but, all have the same goal, ensuring patient safety and meeting required ratios.

In addition, SB 596 will lead to additional costs for California's public health care systems while they are also trying to navigate Medicaid funding cuts under HR 1. Ultimately, our public health care systems need flexibility to make staffing decisions based on constantly changing conditions, such as changing patient acuity levels or emergencies that cause a surge in patients.

Safety net providers are preparing for the unprecedented impacts of federal Medicaid cuts, which will alter hospital operations and patient access. We estimate that the cumulative impact of these changes when fully implemented will lead to an annual reduction of more than \$4 billion across California's public health care systems. The combination of Medicaid funding cuts, limitations on provider tax and state directed payments, and new enrollment and eligibility policies will create significant financial and operational challenges for safety net providers across the state. And that is before additional federal actions that we are anticipating, which will reduce funding even further over the next few years.

We are in an tumultuous time for our health care safety net, including our public hospitals, and the financial impact of adding specified on-call lists or float pools, given existing alternative staffing models that serve to meet nurse staffing ratios, would be significant with no clear benefit to patient care or safety.

We would be pleased to discuss our position with you and answer any questions you may have. Please contact Kelly Brooks-Lindsey at 916.753.0844 or kbl@hbeadvocacy.com. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erica Murray', with a long horizontal flourish extending to the right.

Erica Murray
President and CEO
California Association of Public Hospitals and Health Systems

cc: The Honorable Caroline Menjivar, California State Senate
Paula Villescaz, Deputy Legislative Secretary, Office of Governor Newsom