



OFFICE OF THE GOVERNOR

SEP 30 2012

To the Members of the California State Senate:

I am returning Senate Bill 359 without my signature.

I share the goals of this legislation – to reign in excessive hospital charges for out-of-network emergency care. I am not convinced, however, that the rate-setting formula in this bill has it right.

To be sure, there is considerable complexity in determining what hospitals charge. Nevertheless, I am troubled by hospitals that have dramatically higher charges than others and billing practices that bear no apparent relationship to the costs of services.

Extraordinary hospital billings are harmful to the health care system as a whole, including patients. If found to be as widespread and as excessive as some claim, such practices will invite an appropriate regulatory response.

Sincerely,


Edmund G. Brown Jr.