OFFICE OF THE GOVERNOR

SEP 29 2024

To the Members of the California State Assembly:

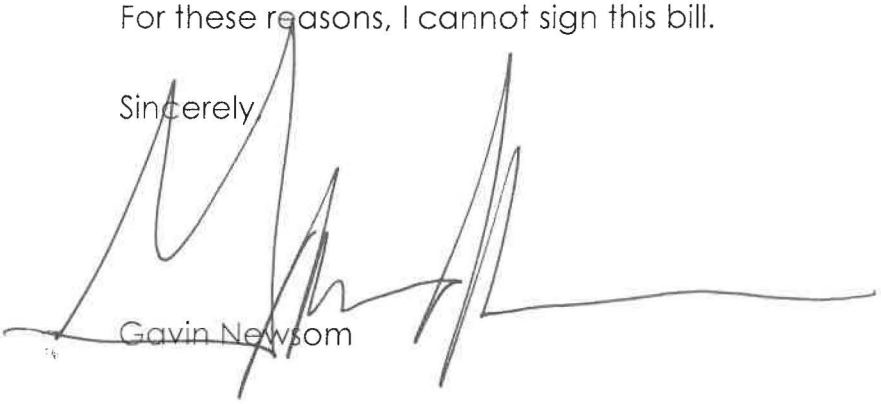
I am returning Assembly Bill 1895 without my signature.

This bill would require a hospital to report specified information to the Department of Health Care Access and Information (HCAI) if it expects challenges in the next six months that could result in a reduction or loss of perinatal services, and would require HCAI, the Department of Public Health (CDPH), and Department of Health Care Services (DHCS) to conduct a community impact assessment using the reported information.

I share the author's concern for communities that may lose access to perinatal care, as labor and delivery unit closures have become more common in recent years and this availability is important for positive pregnancy outcomes. For this reason, working with the Legislature, we have taken many steps to assist these units in remaining open. For example, we provided $300 million for the Distressed Hospital Loan Program to offer interest-free loans to hospitals in financial distress and directed billions of dollars from the managed care organization (MCO) tax towards Medi-Cal provider rate increases. However, current law already requires hospitals to provide public notice in advance of a supplemental service elimination, and much of the information in the proposed community impact report is duplicative. Further, this bill creates costly administrative burdens for the state that are unlikely to change hospitals' business decisions.

For these reasons, I cannot sign this bill.

Sincerely,



Gavin Newsom