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June 24, 2026

The Honorable Akilah Weber Pierson
Chair, Senate Health Committee
1021 O Street, Suite 3310
Sacramento, CA 95814

RE: AB 225 (Bonta), Prohibition on health care facility fees – OPPOSE

Dear Senator Weber Pierson,

I am writing on behalf of the Kern County Board of Supervisors to express our strong opposition to AB 225 (Bonta), as amended on June 23, which would prohibit hospitals and health systems from charging facility fees for a wide range of outpatient, preventive, and telehealth services. While the bill seeks to reduce health care costs, its approach would have severe unintended consequences for Kern County's most vulnerable residents and for our county's designated public safety net hospital, Kern Medical, which serves as a critical safety-net provider for the region.

Kern Medical operates under the stringent regulatory and structural requirements applied to hospital-based outpatient departments and is responsible for providing essential services not available elsewhere in our community at both the hospital and outpatient clinics such as trauma care, specialty care such as GYN Oncology, hand surgery, head and neck surgery, sickle cell services, acute behavioral health and many other high-demand primary and specialty services. Kern Medical primarily services Medi-Cal patients, with over 67% of all revenue coming through this payor source. Facility fees help offset the substantial cost of meeting these obligations: staffing, interpreter services, compliance, electronic health record systems, emergency preparedness, infection control, and the extensive Title 22 and HCAI building standards that apply only to licensed hospital settings, including licensed clinics. Eliminating the ability to collect facility fees for most outpatient encounters would significantly undermine Kern Medical's ability to maintain these services and remain financially stable.

Kern County is already experiencing a strained health care environment, marked by workforce shortages, rising labor and supply costs, impending H.R. 1 reimbursement cuts and growing patient needs, particularly in maternal health, behavioral health, as well as primary and specialty care. AB 225 would dramatically reduce the resources that make it possible for Kern Medical to provide care in lower-cost outpatient settings, forcing more patients into emergency departments or requiring them to delay care entirely. These burdens fall disproportionately on Medi-Cal beneficiaries, low-income families, rural communities, and residents who already face barriers to accessing care. For Kern County, which has some

of the state's highest poverty and chronic disease rates, further erosion of safety-net capacity is simply not sustainable.

Moreover, the bill's prohibition on health plans reimbursing prohibited facility fees compounds the financial threat to Kern Medical. This would strip away millions of dollars currently used to operate outpatient clinics that are not financially viable on professional fees alone. Reduced outpatient access would increase uncompensated care, strain emergency services, and ultimately elevate health care costs for the entire region.

The bill, as amended, does not recognize the critical differences between independent physician offices and hospital-licensed outpatient departments, nor does it acknowledge the unique role of county designated public safety net hospitals like Kern Medical. Without meaningful amendments that protect essential county-based and safety-net providers, AB 225 will destabilize health access for the residents who can least afford it.

For these reasons, the Kern County Board of Supervisors opposes this measure and respectfully urges your committee to vote **NO on AB 225**.

Sincerely,

A handwritten signature in blue ink, appearing to read "Phillip Peters", with a stylized flourish at the end.

Phillip Peters, Chairman
Kern County Board of Supervisors

cc: Honorable Members, Senate Health Committee
Honorable Members, Kern Legislative Delegation
California Hospital Association
California State Association of Counties
Kern Medical
Shaw Yoder Antwih Schmelzer & Lange