



May 11, 2021

The Honorable Lorena Gonzalez  
Chair, Assembly Appropriations Committee  
State Capitol, Room 2114  
Sacramento, California 95814

Re: OPPOSE - AB 650 (Muratsuchi): Health Care Workers Recognition and Retention Act

Dear Assemblymember Gonzalez:

As you know, [Health Center Partners of Southern California](#) represents 17 member organizations. Including 12 Federally Qualified Health Centers, 4 Indian Health Centers, and Planned Parenthood of the Pacific Southwest, which operate over 160 practice sites across five counties, and serve 917,000 patients with 3.9 million patient visits annually. **I respectfully request you OPPOSE AB 650 (Muratsuchi) before it is released from the Assembly Appropriations Committee Suspense File.**

Prior to the COVID pandemic, nonprofit Community Health Centers (CHCs) already were operating on slim budget margins. At the start of the pandemic in 2020, CHCs saw a significant decrease in patient visits (revenue) and had to close practice sites and furlough staff. Even with telehealth flexibilities, CHCs are now only at 90 percent of weekly patient visits compared to pre-COVID numbers. Furthermore, the federal funding that CHCs have received is intended to help recoup their losses from 2020. **AB 650 an unfunded state mandate, could be the tipping point for CHCs on the brink of practice site closures. Moreover, other effects could be cuts to employee benefits, delayed expansion of patient services and practice sites, and delayed new staff hires.**

Also, this bill could **set a dangerous precedent** and help to establish who may receive “hazard pay” vs. who may not (i.e. grocery store workers, teachers, firefighters). Additionally, during the pandemic CHCs have gone above and beyond to ensure their staff and patients were PROTECTED. This bill would imply CHCs have put their staff and patients in harm’s way, which is misleading and harmful to staff morale and patient trust.

#### Community Health Center Workforce Pandemic Investments

- In service to their patients during the pandemic, CHCs made the safety of their patients and staff their top priority and implemented numerous strategies to help mitigate risk.
- Most importantly, the pivot to virtual care (telehealth/telephonic) helped protect both their patients and staff.
- To protect the physical health of onsite staff, Health Center Partners worked to procure and supply adequate Personal Protective Equipment (PPE) for their members.
- Recognizing the tireless efforts of their staff, some CHCs increased investment in employee benefits and compensation.
- **AB 650 would duplicate efforts by CHCs, which have already provided pandemic workforce investments, and would strain CHCs’ limited funds to keep their workforces safe and facilities open.**

### Financial Burden of COVID-19 Response

- With more than 60 percent of annual CHC revenue derived from Medi-Cal billable services, CHCs suffered massive losses in revenue in 2020 due to the reduction in patient visits, as everyone was ordered to stay home (shelter in place orders).
- As a result, at the beginning of the pandemic, CHCs weekly patient visits were reduced by 40-50 percent. Even with telehealth flexibilities, CHCs are now only at 90 percent of weekly patient visits compared to pre-COVID visits.
- While CHCs are proudly at the center of vaccination efforts, they are still unable to bill for vaccination activities, and the anticipated reimbursement is far shy of actual costs.

### Limitations of Federal Funding for AB 650 & Absence of State Funds

- CHCs are grateful for the federal funds received, which have been vital resources in their COVID-19 response. CHCs utilized awarded funds as a lifeline to meet patients' COVID-19 and other medical needs and keep to their facilities open.
- **It should be noted, most funding opportunities have been grants with strict terms and conditions. Furthermore, CHCs plan to use this funding to recoup losses from FY 2020 and to expand access to care and for vaccine efforts.**
- Inconsistencies in timing deadlines between the American Rescue Plan and AB 650 will not allow CHCs to leverage these federal funds for hazard pay purposes.

I respectfully request you **OPPOSE AB 650 (Muratsuchi)** before it is released from the Assembly Appropriations Suspense File.

Sincerely,



Henry N. Tuttle  
President and Chief Executive Officer

cc: Members of the Assembly Appropriations Committee  
Assembly Member Muratsuchi  
Health Center Partners Board of Directors

[Health Center Partners of Southern California](#), a family of companies, includes a 17-membership organization of federally qualified health centers, Indian Health Services Organizations, both urban and sovereign, and Planned Parenthood of the Pacific Southwest, collectively serving 917,000 patients each year, for 3.9 million patient visits each year, at 160 practice sites across San Diego, Riverside and Imperial counties, and is the seventh largest provider group in the region. [Read our latest Impact Report.](#)