



April 16, 2025

The Honorable Mia Bonta
Chair, Assembly Committee on Health
1020 N Street, Room 390
Sacramento, CA 95814

RE: OPPOSE AB 1113 (Mark González) Federally qualified health centers.
as amended April 10, 2025

Dear Assemblymember Bonta:

On behalf of Health Center Partners of Southern California (HCP), I submit this letter in Opposition to Assembly Bill 1113. (Mark González).

AB 1113 would put dangerous restrictions on how Federally Qualified Health Centers (FQHCs) and other community health centers and clinics (CHCs) can use their critical resources for patient care. **With the pending drastic federal Medicaid cuts looming, now is NOT the time to place additional burdens on CHCs serving the safety-net and providing critical patient care.**

[Health Center Partners of Southern California](#) was established in 1977 as a regional primary care association. Its mission is to be the thought leader and innovative influencer of change in the primary care marketplace, informing and inspiring its members and partners to enrich the patient experience and improve the human condition. Today, it serves [17 member organizations](#), including Federally Qualified Health Centers (FQHCs), Indian Health Services Organizations, both urban and sovereign, and Planned Parenthood of the Pacific Southwest. [HCP members collectively serve 763,482 patients in 3.2 million patient visits at 210 practice sites across San Diego, Riverside, and Imperial counties, employing 9,577 individuals, with the fifth largest provider group in the region.](#) As a family of companies, HCP is the sole member of three subsidiaries: Integrated Health Partners (IHP), a clinically integrated network; Health Quality Partners (HQP), a health equity and wellness collaborative supporting research and implementation; and CNECT, a nationwide group purchasing and procurement organization. Together, the HCP family of companies works collaboratively to serve as the nexus for its members and partners to transform primary care through the power of innovation and collaboration.

AB 1113 would require community health centers and clinics to spend a minimum of 90% of their total revenue from all payer sources on “Mission-Directed Expenses”.

- This definition is extremely narrow and does not include vital services like community outreach and education, and health insurance enrollment assistance, among many other essential services.



AB 1113 requires CDPH to determine every year, for every FQHC in California, if capital expenditures (like rent, property taxes, fire and earthquake insurance, and utilities) relate to patient care and should or should not be included under “mission directed expenses” or if they are related to overall operations purposes.

- This would leave CHCs with huge volatility in their budget, and unable to financially plan for the long term.

The costs to implement this bill are astronomical, with three different fines and fees for FQHCs.

- The largest of which is a CHC annual registration fee of uncapped size which AB 1113 explicitly states can be adjusted as high as necessary to fund implementing this immensely complex and unnecessary legislation.
- This bill would force CHCs to waste millions of limited dollars and staff resources on bureaucracy and red tape that should be directed toward patient care.

CHCs are already heavily regulated by the federal and state government and have strict reporting requirements including frequent audits that detail how resources are spent on patient care.

- Patients and communities also have a strong role in governing community health centers and clinics—at least half of the board of directors of community health centers and clinics must be patients of that health center, which ensures that patient care is prioritized.

This bill exempts community health centers and clinics who are in a union sponsored labor management committee (LMCC) from all provisions of this bill.

- Approximately 30% of workers in California CHCs are represented by several different labor unions - only one of those unions runs a health center LMCC.
- Creating a new and expensive regulatory structure (which excludes CHCs that participate in a LMCC) confirms the goal of this legislation is NOT to improve patient care, but to punish CHCs that do not participate in this union’s LMCC.

Health Center Partners **strongly opposes AB 1113 (Mark González)** and respectfully **requests your “NO” vote on this legislation** when it comes before your committee for a vote.

Sincerely,

Tim Fraser

Tim Fraser
VP of Government Affairs
tfraser@hcpsocal.org

CC: HCP Board of Directors
CPCA

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3710 Ruffin Rd, San Diego, CA 92123 | Phone: (619) 542-4300 | Fax: (619) 542-4350 | hcpsocal.org