



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE ALEX PADILLA

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FOR IMMEDIATE RELEASE

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CONTACT: Sam Mahood

(916) 653-6575

Proposed Initiative Enters Circulation

Hospitals. Healthcare Service Charges. Initiative Statute.

SACRAMENTO – Secretary of State Alex Padilla announced the proponent of a new initiative was cleared to begin collecting petition signatures today.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponent and to the Secretary of State, and the initiative may be circulated for signatures. The Secretary of State then provides calendar deadlines to the proponent and to county elections officials. The Attorney General's official title and summary for the measure is as follows:

NONPROFIT HOSPITALS. REQUIRED MINIMUM CHARITY CARE. INITIATIVE STATUTE. Requires nonprofit hospitals to provide free health care to needy patients in annual amount equal to at least 5 percent of their net patient revenues. Exempts hospitals where minimum charity care would result in operating margin less than 1 percent, and hospitals that are part of certain large nonprofit health systems. Requires nonprofit hospitals to give Attorney General annual reports on charity care provided. Authorizes penalties for non-compliance, including revocation of tax-exempt status and appointment of Attorney General representative to hospital's board of directors. Makes nonprofit director/officer liability protections inapplicable to enforcement actions. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **To the extent nonprofit hospitals subject to the measure comply by increasing their reported cost of charity care, the measure would not have a significant impact on state and local finances. Potential increased state and local revenues and/or state and local savings of an unknown amount, if hospitals comply with the measure by converting to for-profit status and/or decreasing their net patient revenues.** (15-0102.)

The Secretary of State's tracking number for this measure is 1761 and the Attorney General's tracking number is 15-0102.

The proponent of the measure, Roberta B. Johansen, must collect the signatures of 365,880 registered voters (five percent of the total votes cast for Governor in the November 2014 general election) in order to qualify it for the November 2016 ballot. The proponent has 180 days to circulate petitions for the measure, meaning the signatures must be submitted to county elections officials by July 5, 2016. The proponent can be reached c/o Karen Getman at (510) 346-6200.

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