
Summary

Should the Attorney General of California be given the authority to oversee and consent to the sale and transfer of nonprofit hospitals in order to curtail the reduction or elimination of emergency room services?

Background

The closures of nonprofit hospitals has resulted in overcrowding, longer waits, and diverted ambulances which have led to lower quality patient care.

Between 1996 and 2009 the annual number of emergency department visits in the U.S. increased by 51%; while the number of emergency departments decreased by 6%.¹

In California, these rates are even more striking, with a 12% reduction in emergency departments and a 27% increase in total patient visits per emergency department.² As of 2014, California has the lowest number of emergency departments per capita in the nation – 6.7 per 1 million people.³

A study published in the journal of Health Affairs analyzed the association of emergency department closures in California during the period of 1999-2010 and inpatient mortality rates at nearby hospitals. The study found that nearly one-quarter of hospital admissions during this period occurred near an emergency department closure and that these admissions had 5% higher odds of inpatient mortality than admissions not occurring near a closure, those under 65 faced higher risk at 10% compared to patients not affected by a closure.⁴

Nonprofit hospitals are heavily subsidized by taxpayers and have an obligation to their community. Given the startling statistics on

California's emergency service shortage, hospital decisions to further reduce emergency services should be heavily scrutinized.

Current Law

There are currently no restrictions in place on the closure of emergency services. Hospitals make the decision to reduce or eliminate regardless of the impact to the surrounding community.

The Attorney General already possesses the regulatory authority over nonprofit sales; this bill would expand on that power.

Proposal

The bill will require that any nonprofit corporation that operates or controls a health facility write notice to and obtain consent of the Attorney General prior to a reduction or elimination of the level of emergency services.

This bill gives the Attorney General the authority to act on the public's behalf by assessing the negative impacts that a closure or reduction would have on the community.

Support

SEIU California

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¹ Liu, C., Srebotnjak, T., & Hsia, R. Y. (2014). California Emergency Department Closures Are Associated With Increased Inpatient Mortality At Nearby Hospitals. *Health Affairs (Project Hope)*, 33(8), 1323–1329. <http://doi.org/10.1377/hlthaff.2013.1203>

² Hsia, R. Y., Kanzaria, H. K., Srebotnjak, T., Maselli, J., McCulloch, C., & Auerbach, A. D. (2012). Is Emergency Department Closure Resulting in Increased Distance to the Nearest Emergency Department Associated with Increased Inpatient Mortality? *Annals of Emergency Medicine*, 60(6), 707–715.e4. <http://doi.org/10.1016/j.annemergmed.2012.08.025>

³ American College of Emergency Physicians. (2014). *California*. Retrieved from <http://www.emreportcard.org/California/>

⁴ Liu, et al. (2014)