

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

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.**

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