

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

**HOSPITALS. HEALTHCARE SERVICE CHARGES. INITIATIVE STATUTE.**

Prohibits hospitals from charging more than 25 percent above the estimated cost of goods and services provided to patients. Requires hospitals to refund excess charges each year, adjusted to account for unreimbursed losses from treating uninsured and low-income patients. Requires hospitals to provide annual patient care expense and revenue reports. Exempts children's hospitals, public hospitals, and veterans' hospitals. Authorizes regulations and fees assessed on hospitals to implement measure, and penalties for non-compliance. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government:

**State and local government savings associated with reduced government employer-sponsored health insurance spending on hospital services, potentially ranging from the mid- to high-hundreds of millions of dollars annually, offset to an unknown degree by (1) various responses by insurers and hospitals and (2) possible pressures to increase General Fund spending on Medi-Cal hospital services. Uncertain but potentially significant state and local government costs over the next few years, due to likely decreased revenues from existing limited-term fees on certain private hospitals to (1) offset state costs for children's health coverage and (2) support state and local public hospitals. (13-0041.)**