Date: January 5, 2010
Initiative 09-0081

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

PROHIBITS STATE FROM TAXING COMMUNITY HOSPITALS TO OBTAIN FEDERAL FUNDS FOR MEDI-CAL UNLESS CERTAIN REQUIREMENTS ARE MET. INITIATIVE CONSTITUTIONAL AMENDMENT. Prohibits state from imposing tax on community hospitals to obtain federal Medi-Cal funds unless tax proceeds are used to obtain federal matching funds of a specified amount. Requires depositing proceeds into trust fund subject to audit. Requires using proceeds to reimburse state for Medi-Cal collection and administration costs, make payments to hospitals, provide health coverage for low-income children, and increase Medi-Cal reimbursements to hospitals. Prohibits using proceeds to replace specified existing funding. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **This measure could affect the ability of the state to impose and collect revenues related to hospital charges and additional federal reimbursements. This could have a further impact on local government finances, particularly counties. In some situations, this measure could result in greater pressures for additional state spending than would otherwise occur.** (09-0081.)