

CALIFORNIA LEGISLATURE

2011–12 REGULAR SESSION

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# ASSEMBLY JOURNAL

RECESS JOURNAL NO. 20

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FINAL RECESS

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Assembly Chamber, Sacramento  
Thursday, October 11, 2012

Pursuant to the provisions of Joint Rule 59, the following Assembly Journal for the 2011–12 Regular Session was printed while the Assembly was in Final Recess.

**COMMUNICATIONS**

The following communication was presented by the Speaker, and ordered printed in the Journal:

October 1, 2012

*E. Dotson Wilson*  
*Chief Clerk of the Assembly*  
*State Capitol, Room 3196*  
*Sacramento, California*

RE: Appointment of Nancy Skinner to  
Board of Directors, Western Climate Initiative, Inc.

Dear Mr. Wilson: Please be advised I have appointed Assemblymember Nancy Skinner to the Board of Directors, Western Climate Initiative, Inc. This is a pleasure appointment starting October 1, 2012.

Sincerely,

JOHN A. PÉREZ  
Speaker of the Assembly

The following communication was presented by the Chief Clerk, and ordered printed in the Journal:

**Explanation of Votes—August 28, 2012**

October 11, 2012

*E. Dotson Wilson  
Chief Clerk of the Assembly  
State Capitol, Room 3196  
Sacramento, California*

Dear Mr. Wilson: Please note that I had an unforeseen personal emergency on August 28, 2012, that caused me to miss all of the votes on the Floor between 12:05 p.m. and 7:45 p.m. Thank you in advance for notice of this absence.

Sincerely,

STEVEN C. BRADFORD, Assembly Member  
Fifty-first District

**REPORTS**

The following letter of transmittal was presented by the Chief Clerk, and ordered printed in the Journal:

California State Auditor

2011-126  
August 9, 2012

*The Honorable Speaker of the Assembly  
The Honorable Members of the Assembly  
of the Legislature of California  
State Capitol, Room 3196  
Sacramento, California*

Members of the Assembly: As requested by the Joint Legislative Audit Committee, the California State Auditor (state auditor) presents this audit report concerning whether nonprofit hospitals are providing a public benefit that justifies their tax-exempt status and whether the purchase or consolidation of nonprofit hospitals has resulted in reduced access to or affected the pricing of health care.

This report concludes that although state law requires most tax-exempt hospitals to prepare annual community benefit plans identifying the amount of benefits that the hospitals provided during the year, state law clearly states that the amount of community benefits provided cannot be used to justify the tax-exempt status of nonprofit hospitals. Additionally, we found that no statutory standard or methodology exists for hospitals to follow when calculating these benefits. Further, the four hospitals we reviewed have policies that qualify patients for full or partial charity care using different federal poverty levels, as allowed by state law. Moreover, hospital officials believe that the income levels of patients visiting the hospitals are the reason that some hospitals provide more uncompensated care, including charity care, despite employing the same policies as other hospitals that are part of the same organization.

Additionally, because of limited data we could not determine whether the changes in prices for health care services resulted directly from changes in ownership or operatorship of a hospital. Specifically, the unavailability of pricing data for some hospitals we reviewed and the unique codes the hospitals use to group medical services and related

charges kept us from determining how changes in ownership or operatorship affected the prices of health care. Although three of the four hospitals reduced or discontinued some services, we could not determine the effects on communities resulting from such actions. However, we did find that the costs of uncompensated care increased after a change in owners or operators for three of the four hospitals we reviewed.

Respectfully submitted,

ELAINE M. HOWLE, CPA  
State Auditor

Above report referred to the Committee on Revenue and Taxation.

**SPECIAL COMMITTEE MEETINGS**

By unanimous consent, the following committee was permitted to meet:

Housing and Community Development, and Banking and Finance, to convene jointly on Wednesday, October 17, 2012, in Ontario.

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JOHN A. PÉREZ, Speaker

AMY LEACH, Minute Clerk

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