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March 23, 2023

The Honorable Maria Elena Durazo
1021 O Street
Suite 7530
Sacramento, CA 95814

VIA FAX: (916) 651-4926

RE: SB 525 – Minimum wage: health care workers -- OPPOSE

Dear Senator Durazo:

Serving the communities of Westchester, Marina del Rey, Playa Vista, Playa del Rey, Ladera Heights, and surrounding areas of Los Angeles, the LAX Coastal Chamber of Commerce promotes business and enhances the vitality of our community through member services, educational programs, strategic partnerships, community outreach and legislative advocacy.

We must respectfully OPPOSE SB 525.

Currently, compensation for hospital workers makes up nearly 60% of the cost of providing care. It should be no surprise then that directly increasing labor expenses by billions of dollars overnight means higher costs to deliver health care in California.

Under SB 525, the cost to care for patients will increase everywhere, not just at hospitals but at nursing homes, physician offices, and at every clinic, including free and reproductive health clinics and federally qualified health centers. For the hundreds of health providers facing significant financial distress, the increase in labor costs will require the reduction or elimination of health services to balance revenue and expenses. In extreme cases, it will mean bankruptcy and outright closure, especially for those hospitals that are already on the financial brink. The consequences of these events would be catastrophic for entire regions of the state, especially for communities that are already disadvantaged and face challenges accessing critical health care services.

It's appropriate for the State of California to enforce a statewide minimum wage for all jobs. Your proposal – calling for an extremely high minimum wage for one sector of the economy – goes beyond the pale as unreasonable and impractical.

We urge your colleagues in the State Senate to vote NO.

Sincerely,

A handwritten signature in black ink, appearing to read "Chad Maender", written over a light blue horizontal line.

Chad Maender
President/CEO

cc: Assemblymember Tina McKinnor – (916) 319-2161