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Betsy Butler

April 14, 2021

The Honorable Richard Pan  
Chair, Senate Health Committee  
State Capitol, Room 2191  
Sacramento, CA 95814

**Re: SB 650 (Stern) – Support**

Dear Senator Pan,

On behalf of the California Women's Law Center, we write in support of SB 650 which will bring transparency regarding how taxpayer money is spent in the nursing home industry.

Skilled nursing facilities (SNFs) care for more than 400,000 Californians annually. Many SNFs are privately owned by for-profit companies. Taxpayer subsidized Medicare and Medi-Cal cover 85% of the costs in these facilities.

SNF owners use complicated ownership structures to obscure information about who controls their facilities and also limits their legal exposure by contracting with related parties. This lack of transparency harms nursing home residents. A study in 2017 found that SNFs who contract with related parties have fewer nurses and aides per patient, higher rates of patient injuries, and twice as many complaints.

Under existing law, SNFs are required to report costs and identify who they are paying for services. However, this spending is not audited to determine if the costs in their reports are accurate and are the most fairly priced option available.

SB 650 will require nursing homes to submit public annual financial reports about related parties. The bill will require related parties and management companies to submit similar financial reports. And, it will require nursing home owners share information outlining their company structure.

CWLC's mission is to create a more just and equitable society by breaking down barriers and advancing the potential of women and girls through transformative litigation, policy advocacy, and education. SB 650 will provide greater transparency in the nursing home industry to ensure public funds are used to provide quality care to residents.

For these reasons, the California Women's Law Center supports SB 650.

Sincerely,



Betsy Butler  
Executive Director