



OFFICE OF THE GOVERNOR

SEP 29 2014

To the Members of the California State Senate:

I am returning Senate Bill 1094 without my signature.

This bill would expand the Attorney General's power to review and impose conditions on the sale or transfer of nonprofit hospitals and their assets.

For nearly two decades, the Attorney General has had the authority to approve, deny or place conditions on these transactions in order to evaluate potential impacts on a community's access to health care services, and safeguard – as much as possible – those assets that have been held in the public trust. Occasionally, disputes pertaining to the conditions of approval arise after a transaction has been approved, and the Attorney General must appeal to the courts to impose the remedy.

The Attorney General's office is currently in the process of revising regulations pertaining to these transactions. We should wait until these new regulations are implemented before deciding what adjustments, if any, are needed to improve the approval process for nonprofit hospital sales.

Sincerely,


Edmund G. Brown Jr.