



**CALIFORNIA  
HOSPITAL  
ASSOCIATION**

*Providing Leadership in  
Health Policy and Advocacy*

### **Principles Governing a Hospital Tax**

1. Hospitals must be permanently protected with respect to payments and the amount of the tax.
2. Hospitals must be paid by Medi-Cal at the highest level allowed under federal law.
3. The state must be required to ensure that criterion 2 is met, even if new General Fund (GF) money is required (state maintenance of effort).
4. All of the money generated from the hospital tax must be used solely to benefit hospitals.
5. Only the voters can change the program (that is, neither the Legislature nor the Governor could modify the program), however, the Legislature could modify the program by a super majority but only in furtherance of the program and its intent.

Adopted, CHA Board of Trustees  
July 2007