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The California legislature is currently considering a bill, AB 2080 (Wood) that would, among other things, require notice to, and the written consent of, the Attorney General before entering into an agreement or transaction either:

- To sell, transfer, lease, exchange, option, encumber, convey, or otherwise dispose of a material amount of its assets; or,

- To transfer control, responsibility, or governance of a material amount of its assets.

This requirement would apply to medical groups, hospital or hospital systems, health facilities (as described in Health & Safety Code Section 1250(a), (b) or (c)), health care service plans, health insurers, and pharmacy benefit managers (except for a nonprofit corporation subject to Corporations Code Sections 5914 and
The requirement applies to a "material change" with a value of $15,000,000 or more.

Because the bill would require the Attorney General's consent before entering into an agreement rather than before closing, it will prevent parties from entering into binding contracts and prolong negotiations until consent is secured. As noted in the Senate Health Committee's analysis, affiliations, sales, mergers, and other transactions are complex and expensive investments that require thousands of hours of work from legal, financial, operational, and clinical experts. If enacted, the bill would likely make health care merger and acquisition transactions more uncertain and expensive. Expectedly, the bill is opposed by numerous hospital and health care related organizations.

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