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LIMITS COMPENSATION FOR HEALTH CARE EXECUTIVES, MANAGERS, AND ADMINISTRATORS. INITIATIVE STATUTE.

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OFFICIAL TITLE AND SUMMARY (SAME AS ON PETITION)

The Attorney General of California has prepared the following circulating title and summary of the chief purpose and points of the proposed measure:

(25-0009A1.) LIMITS COMPENSATION FOR HEALTH CARE EXECUTIVES, MANAGERS, AND ADMINISTRATORS. INITIATIVE STATUTE. Prohibits certain hospitals and medical entities from paying executives, managers, and administrators more than \$450,000 in total annual compensation (salary, paid time off, bonuses, stock options, company vehicle, etc.) or severance payments; compensation limit increases up to 3.5% annually based on Consumer Price Index. Requires annual reporting of all executives, managers, and administrators receiving compensation or severance packages exceeding limit. Authorizes enforcement by Attorney General or taxpayer litigation. Penalties for violations include fines, revocation of tax-exempt status, and appointment of Attorney General representative to board of directors of nonprofit corporations. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: State cost as much as several million dollars annually to enforce the new limit on pay for administrators at affected hospitals and physician groups, mostly covered by fees charged to the affected entities. (25-0009A1.)