

The Honorable Governor Gavin Newsom
State of California
State Capitol
Sacramento, CA 95814

RE: Support for California Hospitals

Dear Governor Newsom:

I write to respectfully request your support to save financially distressed California hospitals. To protect access to care and stabilize the health care delivery system for California's most vulnerable, this emergency lifeline (representing just 1% of all Medi-Cal funding) is essential to keep hospital doors open and services available in the short term. A one-time relief package in 2023 to help survive the immediate challenges, followed by structural rate increases to prevent future crises, and help protect access for Californians with the greatest health needs.

For low-income Californians who rely on Medi-Cal for coverage — two-thirds of whom are people of color — the situation is most dire. Communities with high Medi-Cal enrollment already suffer from a lack of health care providers, often relying on hospitals as their sole and primary care solution. With reduced services and outright closures looming, California's most vulnerable, including people living in rural and underserved areas, will see their access to care evaporate if immediate fiscal state relief is not delivered.

Without help, cities and towns throughout the state are on track to lose vital community pillars of health care services and jobs: Madera, Visalia, Placerville, Porterville, Hollister, Bakersfield, Montebello, Humboldt County, all of Imperial County, pockets of Los Angeles, among other parts of California serving our most vulnerable communities, and next year even more hospitals could close.

This one-time \$1.5 billion relief package is part of a larger solution that seeks to correct the structural underfunding in the Medi-Cal system that must be resolved to create long-term stability for our state's health care system.

The crisis is not theoretical. It's happening now. The hospital closure in Madera County will, without question, be replicated in other parts of California without relief. And once a hospital closes, it is incredibly difficult to reopen, let alone reopen with the same level of services that Californians need and deserve. It is for these reasons that we are requesting this one-time relief package to support hospital care for Medi-Cal patients.

Sincerely,