



April 20, 2020

Sent electronically

Dear Members of the California Congressional Delegation:

On behalf of California's 21 public health care systems, and the millions of patients they serve, we are writing to express our strong support for the legislation introduced today, by Congresswomen Nanette Diaz Barragán (CA-44) and Congresswoman Lizzie Fletcher (TX-7), that would prevent the Centers for Medicare and Medicaid Services (CMS) from finalizing the proposed Medicaid Fiscal Accountability Regulation (MFAR) for two years. This bill is especially important for public health care systems and our state Medi-Cal program as we respond to the global COVID-19 pandemic. We applaud the leadership of Congresswoman Barragán and Congresswoman Fletcher on behalf of the health care safety net, and urge the California Congressional Delegation's full support of their bill.

As you know, California's public health care systems are the core of the state's health care safety net, delivering high-quality care to more than 2.85 million patients annually, regardless of ability to pay or insurance status. Most patients seen in public health care systems are either Medi-Cal beneficiaries or remain uninsured. Statewide, public health care systems provide nearly 40 percent of all hospital care to the uninsured, and 35 percent of all hospital care to Medi-Cal enrollees in the communities they serve. Public health care systems also operate over half of the state's top-level trauma and burn centers, and train half of all physicians in the state.

The MFAR rule, proposed by CMS on November 18, 2019, severely restricts how states may pay for their Medicaid programs, and would upend California's health care safety net, jeopardizing the stability of California's public health care systems. The damage from this rule is hard to overstate – should this rule take effect, over 1 million patients could lose access to care in public health care systems alone, thousands of hospital beds could be eliminated, and several public health care systems may need to close their doors altogether – completely eliminating some counties' trauma centers. Our communities cannot afford a drastic reduction in health care services during this unprecedented time of emergency.

Without Congress' critical action to prevent CMS from finalizing MFAR, the viability of health care safety net providers, who are now being called upon to meet a national challenge and are stretched to their absolute limit, will be undermined. Public health care systems are already under severe financial constraints as they treat COVID-19 patients and respond to this pandemic, and many of these systems have only weeks to up to months of cash on hand as they continue their response efforts.

We urge Congress to take action to preserve critical health care safety net funding and eliminate any threats that would undermine public health care systems' ability to fight this growing pandemic, including preventing CMS from finalizing the MFAR proposed rule, as outlined in the Barragán-Fletcher bill. We hope that you will prioritize the timely passage of this bill.

Thank you for your consideration and continued partnership to serve California's most vulnerable.

Sincerely,



Erica B. Murray
President and CEO
California Association of Public Hospitals and Health Systems

cc: The Honorable Nancy Pelosi, Speaker of the House, United States House of Representatives
The Honorable Kevin McCarthy, Minority Leader, United States House of Representatives
The Honorable Frank Pallone, Jr., Chairman, House Committee on Energy and Commerce
The Honorable Greg Walden, Ranking Member, House Committee on Energy and Commerce
The Honorable Anna G. Eshoo, Chairwoman, House Committee on Energy and Commerce Subcommittee on Health
The Honorable Michael C. Burgess, Ranking Member, House Committee on Energy and Commerce Subcommittee on Health
The Honorable Gavin Newsom, Governor, State of California
The Honorable Mark Ghaly, Secretary, California Health and Human Services Agency
The Honorable Toni Atkins, Senate President Pro Tempore, California State Senate
The Honorable Anthony Rendon, Speaker of the Assembly, California State Assembly