

SENATE CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

April 5, 2019

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-204, US Capitol
Washington, DC 20515

The Honorable Zoe Lofgren, Chair
California Democratic Congressional Delegation
U.S. House of Representatives
1401 Longworth House Office Building
Washington, DC 20515

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

The Honorable Kamala D. Harris
United States Senate
112 Hart Senate Office Building
Washington, DC 20510

The Honorable Ken Calvert
Dean of the California Republican Delegation
U.S. House of Representatives
2205 Rayburn House Office Building
Washington, DC 20515

Dear Members of the U.S. California Congressional Delegation:

We the undersigned members of the California State Senate write in strong support of Medicaid Disproportionate Share Hospital (DSH) funding and urge your assistance in delaying the scheduled federal cuts to this program, which are set to take effect October 2019.

Medicaid DSH provides more than \$1.2 billion in federal funding to safety net hospitals in California, which include public health care systems, district hospitals and private safety net hospitals. These systems use Medicaid DSH to offset low payments in Medi-Cal, expand services to the uninsured, and provide highly specialized local and regional services. Many public health care systems have, for example, dedicated all of their Medicaid DSH funding to more effectively serve the remaining uninsured by offering better access to preventive services and coordinating care for this population in more appropriate settings. This investment has resulted in a decrease in inpatient and emergency services, and an increase in outpatient care, leading to more efficient care delivery overall.



Additionally, California's private safety net hospitals are using their Medicaid DSH funds to invest in innovative partnerships and programs with partner clinics and community-based organizations to ensure their vulnerable communities receive more coordinated, higher value care in the right setting.

As part of the Affordable Care Act, Congress instituted scheduled cuts to the Medicaid DSH program that were intended to correspond with increased health coverage. However, despite California's success with expanding coverage, most of those gains were in Medi-Cal, where Medicaid DSH helps offset low reimbursement rates that do not cover the cost of providing care. In addition, roughly 3 million Californians remain uninsured. With more than one third of California residents now covered by either Medi-Cal or still uninsured, safety net providers continue to rely on Medicaid DSH to fulfill their mission to provide care for these vulnerable populations.

In recognition of the importance of Medicaid DSH funding to safety net providers across the country, Congress has repeatedly delayed the start of these cuts with strong bi-partisan support. However, the cuts are now slated to begin October 2019. If implemented, California safety net hospitals could lose nearly \$500 million in funding in FY2019-2020 and more than \$950 million in funding in FY 2020-2021 and beyond in federal Medicaid DSH and associated funding.

We respectfully urge the California Congressional Delegation to work with leadership and other congressional colleagues to again delay the Medicaid DSH cuts, so that low-income Medi-Cal and uninsured patients can continue to have access to high-quality, comprehensive, patient-centered care.

Sincerely,



Dr. Richard Pan,
Chair, Senate Committee on Health
California State Senate, 6th District



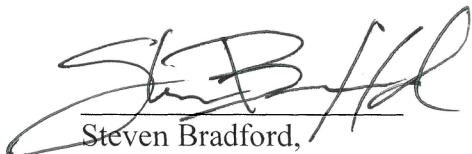
Toni G. Atkins,
Senate President Pro Tempore
California State Senate, 39th District



Benjamin Allen,
California State Senate, 26th District



Jim Beall,
California State Senate, 15th District



Steven Bradford,
California State Senate, 35th District



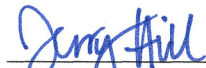
Anna M. Caballero,
California State Senate, 12th District



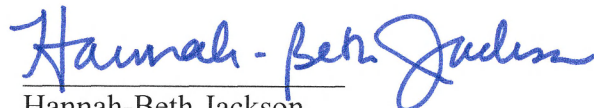
Bill Dodd,
California State Senate, 3rd District



Cathleen Galgiani,
California State Senate, 5th District



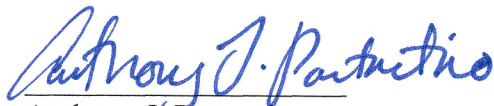
Jerry Hill,
California State Senate, 13th District



Hannah-Beth Jackson,
California State Senate, 19th District



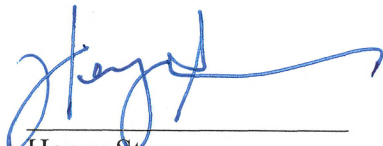
Holly J. Mitchell,
California State Senate, 30th District



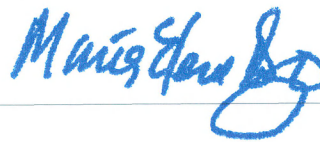
Anthony J. Portantino,
California State Senate, 25th District



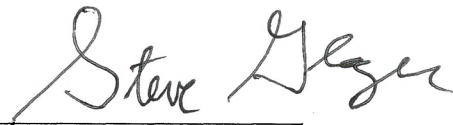
Susan Rubio,
California State Senate, 22nd District



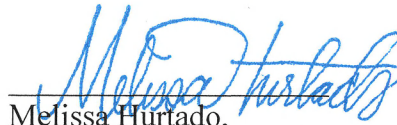
Henry Stern,
California State Senate, 27th District



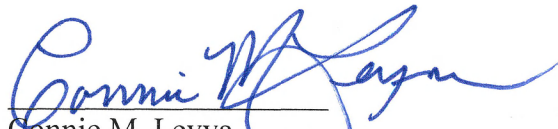
María Elena Durazo,
California State Senate, 24th District



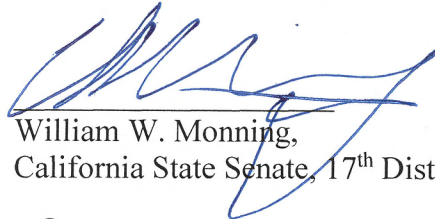
Steven M. Glazer,
California State Senate, 7th District



Melissa Hurtado,
California State Senate, 14th District



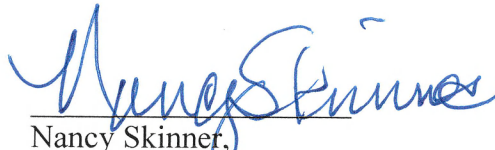
Connie M. Leyva,
California State Senate, 20th District



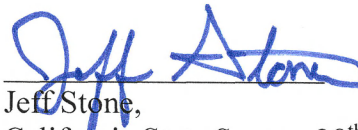
William W. Monning,
California State Senate, 17th District




Richard D. Roth,
California State Senate, 31st District

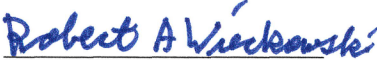



Nancy Skinner,
California State Senate, 9th District

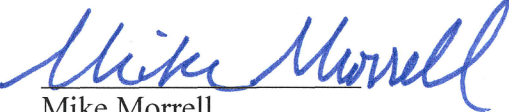


Jeff Stone,
California State Senate, 28th District


Thomas J. Umberg,
California State Senate, 34th District


Bob Wieckowski,
California State Senate, # District


Scott D. Wiener,
California State Senate, 11th District


Mike Morrell,
California State Senate, 23rd District

Cc: The Honorable Kevin McCarthy, Republican Leader of the U.S. House of Representatives
California Members of the U.S. House of Representatives