

County of Monterey



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April 10, 2023

The Honorable Gavin Newsom
Governor, State of California
1020 O Street, Suite 9000
Sacramento, CA 95814

RE: Support for California Hospitals

Dear Governor Newsom:

On behalf of the County of Monterey, I write to respectfully request your support to save California hospitals with a one-time \$1.5 billion relief package as part of a larger solution that seeks to correct the structural underfunding of the Medi-Cal system that must be resolved to create long-term stability for our state's health care system.

Medi-Cal reimbursement rates have not increased for over a decade. California pays 74 cents on the dollar to care for Medi-Cal patients. For low-income Californians who rely on Medi-Cal for coverage — two-thirds of whom are people of color — the situation is most dire. Medi-Cal enrollment has increased from 21% to 40% of the population.

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.

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, pockets of Los Angeles, among other parts of California serving our most vulnerable communities, and next year even more hospitals could close.

This 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. Once a hospital closes it is incredibly difficult to reopen, let alone reopen with the same level of services that Californians need and deserve.

Additionally, most California hospitals are experiencing increased staffing shortages and staffing costs have drastically increased. There has also been a 41% increase in pharmaceutical costs and a 19% increase in supply costs in the past couple of years.

For these reasons the County of Monterey supports a one-time relief package to save California hospitals. Should you have any questions, please feel free to contact the County's Public Policy Advisor, Ashley Walker of Nossaman LLP at 916-442-8888.

Sincerely,

A handwritten signature in blue ink, appearing to read "Luis A. Alejo".

Luis A. Alejo, Chair
Board of Supervisors

Cc: The Honorable Anna Caballero, 14th Senate District
The Honorable John Laird, 17th Senate District
The Honorable Robert Rivas, 29th Assembly District
The Honorable Dawn Addis, 30th Assembly District
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