

■ APPENDIX

California health care in crisis

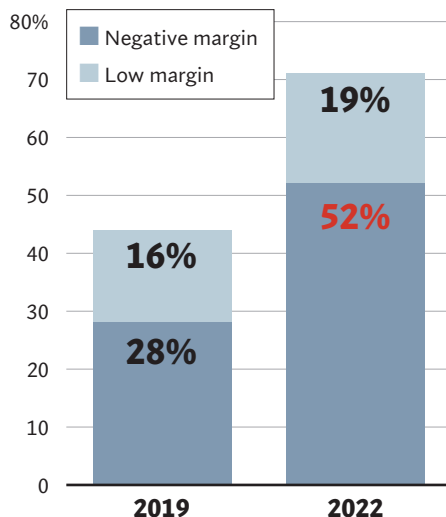


California hospitals lost

**\$20
BILLION**

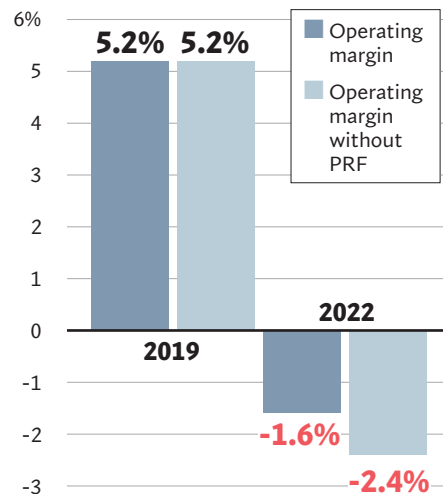
from 2020 – 2022

Percent of California hospitals with negative and low margins



52%
of hospitals are losing money

Total California hospital operating margin



PRF = federal Provider Relief Fund

Statewide margins are **negative**

Resources to pay for care aren't keeping pace with costs

As expenses have increased — compared to pre-pandemic costs — resources to care for patients are falling short as inflation drains resources for patient care.



Labor expenses
rose 22%.



Pharmaceutical costs
grew by 19%.



Medical supply expenses
jumped 18%.



In California,

73%

of hospital patients have coverage through Medicare and Medi-Cal, which pay far less than what it actually costs to care for people.

Since Medi-Cal rates were last increased in 2012, the share of the California population on Medi-Cal has increased from

21% to 39%.

Sources: California Hospital Association analysis of data from the California Department of Health Care Access and Information and the California Department of Health Care Services

A structural problem with health care funding

Resources that pay for care for most patients don't cover the cost of that care.

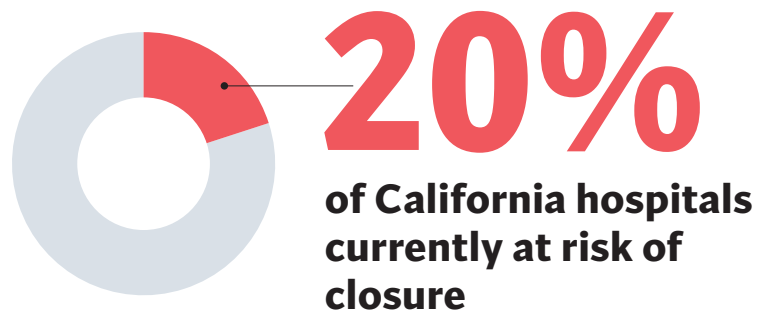
■ Medi-Cal

California pays **74 cents for every dollar** of hospital care provided

■ Medicare

Federal government pays **75 cents for every dollar** of hospital care provided in California

The result



Source: Kaufman Hall California Hospital Financial Impact Report, April 2023