

Congress of the United States
Washington, DC 20515

May 13, 2026

The Honorable Gavin Newsom
Governor
State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Dear Governor Newsom:

As members of the California Congressional Delegation deeply concerned about access to health care for our communities, we write to respectfully urge you and the Department of Health Care Services (DHCS) to complete and submit the revised Medi-Cal hospital tax preprint to the Centers for Medicare & Medicaid Services (CMS) *as quickly as possible*.

In November of 2025 CMS made several requests of DHCS requiring a recrafting of the initial hospital tax. CMS requested those changes by mid January of 2026 but granted a request for an extension. We understand that the state's updated submission was submitted in March but the final work reflecting the detailed payment policies to complete the preprint have not yet been submitted. These payment policies are a critical part of the application and must be submitted before CMS can review—and ultimately—approve the plan to provide critical funding for California's hospitals.

Timely submission and CMS approval are essential to urban and rural, large and small, children's and adult hospitals across California many of which are struggling financially. With more than 44% of hospitals in the state operating in the red and experiencing severe cash flow challenges, they are reliant upon these Medicaid funds to maintain operations, sustain critical services, and meet the needs of their communities. Each additional day of delay exacerbates financial instability across the system and puts care for California's children, seniors and other vulnerable populations at risk.

The delay in submitting the final components of the preprint could jeopardize the state's ability to meet federal two-year claiming requirements, putting as much as \$1.5 billion federal matching funds at risk.

Submitting the complete preprint immediately is one of the most direct and impactful steps you can take to secure federal approval and deliver urgently needed financial relief to California's hospitals who care for communities. Hospitals cannot afford further delays.

We appreciate your leadership and continued commitment to California's health care system and urge you to act quickly to protect access to care.

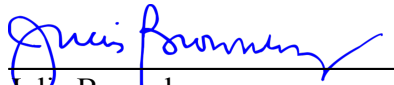
Sincerely,



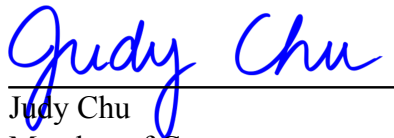
Zoe Lofgren
Member of Congress
Chair, California Democratic
Congressional Delegation



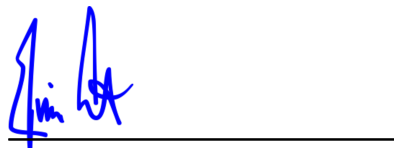
Nanette Diaz Barragán
Member of Congress



Julia Brownley
Member of Congress



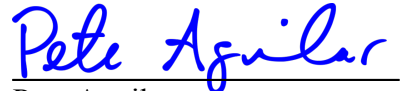
Judy Chu
Member of Congress



Jim Costa
Member of Congress



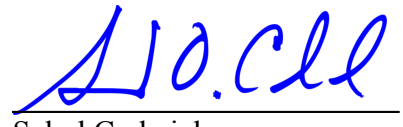
Laura Friedman
Member of Congress



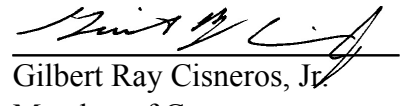
Pete Aguilar
Member of Congress



Ami Bera, M.D.
Member of Congress



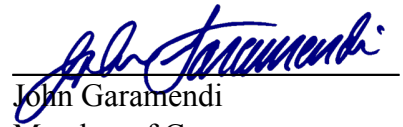
Salud Carbajal
Member of Congress



Gilbert Ray Cisneros, Jr.
Member of Congress



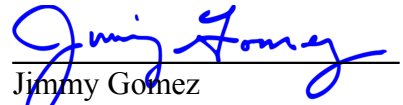
Mark DeSaulnier
Member of Congress



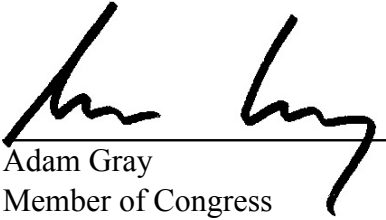
John Garamendi
Member of Congress



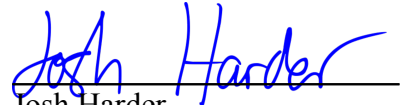
Robert Garcia
Member of Congress



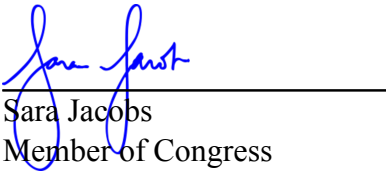
Jimmy Gomez
Member of Congress



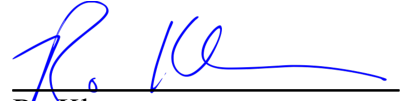
Adam Gray
Member of Congress



Josh Harder
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Sara Jacobs
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Ro Khanna
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Mike Levin
Member of Congress



Sam P. Liccardo
Member of Congress



Ted W. Lieu
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Doris Matsui
Member of Congress



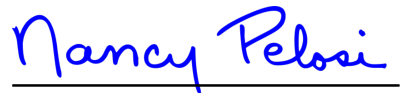
Dave Min
Member of Congress



Kevin Mullin
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Jimmy Panetta
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Nancy Pelosi
Member of Congress



Scott H. Peters
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Luz M. Rivas
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Lateefah Simon
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