

# CHA Media Statement

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**FOR IMMEDIATE RELEASE: June 22, 2020**

## **State Budget Deal Spares Some Payment Cuts to Medi-Cal Providers, But Lacks Financial Lifeline Needed by Hospitals**

“California’s hospitals are pleased today’s budget agreement between the Legislature and Governor Newsom prevents an estimated \$500 million cut to Medi-Cal providers,” said Carmela Coyle, President & CEO of the California Hospital Association. “By rejecting an earlier proposal to cut certain Medi-Cal managed care payments, lawmakers and the Governor have prioritized the health care needs of our most vulnerable residents.”

“While hospitals appreciate the leadership necessary to ensure the Medi-Cal program is protected,” Coyle added, “we are disappointed the budget deal does not provide the financial lifeline hospitals so desperately need to stem the unprecedented fiscal crisis that has resulted from the COVID-19 pandemic.”

“Without financial relief from the state, hospitals may have to continue workforce reductions, pay cuts, and more,” Coyle said. “This is a time when hospitals urgently need state support so they can remain open, staffed, and ready – not only for a possible second wave of COVID-19, but also for all other health care needs, especially as we head into the 2020 flu season.”

“Hospitals are essential to California’s economic recovery. Schools and business cannot reopen, government services cannot operate, and people cannot return to work unless hospitals are open, staffed, and ready to care for those in need,” Coyle noted. “In this moment, we renew our call for our state’s elected officials to stand up for hospitals — just as hospitals have stood up for all 40 million Californians.”

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