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COMMITTEES
CHAIR: HIGHER EDUCATION
ACCOUNTABILITY AND
ADMINISTRATIVE REVIEW
BUDGET
BUSINESS AND PROFESSIONS
TRANSPORTATION
BUDGET SUBCOMMITTEE NO. 2 ON
EDUCATION FINANCE

WEBSITE
www.assembly.ca.gov/medina

April 4, 2022

The Honorable Dr. Joaquin Arambula
Chair, Assembly Budget Committee, Subcommittee No. 1 on Health and Human Services
1021 O St., Room 6240
Sacramento, CA 95814

Subject: Increase Support for Graduate Medical Education (GME)

Dear Assembly Member Arambula:

Today, hospitals across our state are facing the worst staffing shortage in recent history—more than 40% are experiencing dire workforce staffing challenges at a time when our state's health workforce is already depleted, after nearly two years of fighting the pandemic. The pandemic has also delayed education and training for thousands of new health care workers and slowed the already insufficient pipeline of those who would care for Californians now and into the future.

Fortunately for California, our state is home to the second largest number of teaching hospitals and residents in the country, second only to New York. These valuable programs provide hands-on experience and training for the state's future physicians. However, even though our hospitals train more doctors than nearly every other state, California is nearly last in the country with state support for GME programs. Absent two small physician training programs funded by the state's general fund, these costly GME programs are largely under-funded and are at significant risk as hospitals begin their long road to financial recovery following the pandemic.

Unlike many of the proposed workforce solutions out there—as we've seen in the Medi-Cal program—there is a unique opportunity to receive enhanced federal funding to support GME. In fact, California received approval from the Centers for Medicare & Medicaid Services (CMS) ¹to implement the existing GME program in 2020. Unfortunately, the CMS-approved GME program is limited to only 21 designated public hospitals because the state required it to be self-financed. While the current GME program is truly a success — bringing

¹ State Plan Amendment 17-0009, Approved March 19, 2020.

<https://www.dhcs.ca.gov/formsandpubs/laws/Documents/SPA-17-0009-Approved.pdf>

in over \$240 million in federal funding annually²— over 85 private and district hospitals currently are not eligible to participate leaving hundreds of millions in additional federal funding on the table.

For these reasons, I'd like to submit for consideration a proposal to:

- Expand the existing Medi-Cal GME program to include private and district hospitals,
- Eliminate the self-financing requirement and dedicate ongoing state General Fund resources to support these vulnerable programs.

Please see attached information regarding the specific budget request and proposed language. This request has the support from the several hospitals and hospital constituency groups including the California Hospital Association, the several associations representing public, private, district, and hospitals serving a high number of Medi-Cal patients. We have been pleased to collaborate amongst the advocates the representing hospitals and would encourage you to consider Kathryn Scott (CHA) at (916) 812-7406 a resource should you have questions.

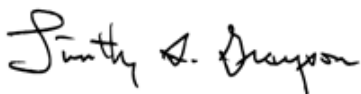
Sincerely,



Jose Medina
Assemblymember, 61st District



Adam Gray
Assemblymember, 21st District



Tim Grayson
Assemblymember, 14th District

² DHCS Medi-Cal Estimate, Policy Change 151.
https://www.dhcs.ca.gov/dataandstats/reports/mceestimates/Documents/2021_November_Estimate/N21-Medi-Cal-Local-Assistance-Estimate.pdf



Eloise Reyes
Assemblymember, 47th District



Tasha Boerner Horvath
Assemblymember, 76th District



Tom Daly
Assemblymember, 69th District