TEMPLATE LETTER – Please place on hospital letterhead and add hospital-specific details

DATE, 2022

The Honorable Susan Talamantes Eggman

Chair, Senate Budget and Fiscal Review Committee, Subcommittee No. 3 on Health and Human Services

1021 O St., Suite 8530

Sacramento, CA 95814

The Honorable Joaquin Arambula, MD

Chair, Assembly Budget Committee, Subcommittee No. 1 on Health and Human Services

1021 O St., Room 6240

Sacramento, CA 95814

**SUBJECT:**  **Governor’s Budget Proposal on Community Benefits — OPPOSE**

Dear Senator Eggman and Assembly Member Arambula:

HOSPITAL NAME has grave concerns about the governor’s budget proposal to require nonprofit hospitals to direct 25% of their community benefits dollars to community-based organizations that address the social determinants of health. That proposal also requires hospitals to demonstrate how they are making investments in these efforts, and gives the Department of Health Care Access and Information enforcement authority over these requirements.

Setting a percentage for any type of activity not only predetermines how hospitals can spend their community benefits dollars but undermines the community health needs assessment (CHNA) process required by both federal and state law. To comply, we must develop a process for consulting with community groups and local government officials to identify and prioritize community needs that our hospital can address directly, in collaboration with others, or through other organizational arrangements.

In our current CHNA, for example, the priority needs identified by our community were INSERT HERE.Establishing a benchmark for a specific set of activities, as this proposal would do, could either contradict those findings or ignore our community’s clearly identified health care-related needs.

HOSPITAL NAME’s community benefits programs are tailored to the needs of the Californians we serve with the ultimate goal of improving the overall health and well-being within CITY OR COUNTY NAME. Sample projects include:

* INSERT PROJECTS/FUNDING HERE

However, the governor’s proposal threatens to undo much of that good work, particularly our efforts to make real progress toward improving health care-related outcomes in our communities.

In addition, it is imperative that we have the flexibility to respond to ongoing and emergent needs. The shifts that we have made to care for our patients and communities throughout the pandemic are proof-positive. The pandemic and all the unexpected changes it brought with it required us to alter our community benefits programs. For instance, HOSPITAL NAME has:

(LIST EXAMPLES – HERE ARE SOME SUGGESTIONS)

* Expanded partnerships with food banks
* Enhanced mobile health care services
* Partnered with churches, community-based organizations, and others to set up testing and vaccination sites
* Donated personal protective equipment that enabled these crucial entities to continue serving vulnerable communities

Setting a specific benchmark fails to account for the nimbleness required of hospitals and places undue strain on resources that are already stretched thin.

IF APPLICABLE TO YOUR HOSPITAL OR HEALTH SYSTEM

Reporting of community benefits investments is hospital-specific, which means that it excludes any donations by other parts of our health system. For example, our medical group/health plan/corporate office makes ongoing investments in our communities such as **(INSERT SPECIFIC EXAMPLE)**. However, since community benefits only capture hospital investments, these other donations would not be acknowledged.

Lastly, the proposal articulates different ways the percentage of funding would be calculated for each hospital. Per federal law, hospitals currently report their community benefits in the following categories:

* **Financial Assistance and Means-Tested Charity Government Programs:** Includes financial assistance at cost, Medicaid shortfall, costs for other means-tested programs, and charity care
* **Other Benefits:** Includes community health improvements, health professions education, subsidized health services, community building activities, research, and cash or in-kind contributions to community groups

Whether the denominator used to calculate 25% for community-based organizations on activities to address the social determinants of health includes both categories or only the activities under “Other Benefits,” it still would result in the need for our hospital to either increase overall spending or shift spending away from health care-related community priorities such as **ADD EXAMPLE HERE**. Increasing overall funding runs counter to the governor’s proposal on health care affordability, and any predetermined requirement could result in reduced investments in health care for vulnerable communities throughout California.

For these reasons, HOSPITAL NAME has sincere concerns with this proposal and urges you to reject it.

Sincerely,

Name

Title