

# Key Messages

## Budget Proposal Would Jeopardize Community Benefits Programs for Californians

**California's nonprofit hospitals are committed to improving the health and well-being of the communities they serve, and one of the many ways they address their needs is through community benefits programs.**

- Hospital community benefits programs are tailored to the needs of the communities they serve with the goal of promoting healthier, more meaningful lives.
- Across the state, hospitals extend their mission of care beyond their own walls in any way that is needed, such as funding for behavioral health services, mobile health and dental clinics in disadvantaged neighborhoods, safe primary care for victims of human trafficking, and a cancer initiative focused on health equity.
- California hospitals spend more than \$6 billion every year to support vulnerable populations — such as children, seniors, and low-income residents — in their communities.

**The governor's budget proposal to require that hospitals spend 25% of their community benefits dollars through community-based organizations will jeopardize existing community benefit programs and will not have the intended effect of improving health equity and reducing health disparities Californians.**

- Predetermining spending for any activity undermines the community health needs assessment process that engages community members to identify and prioritize their own health needs.
- Requiring hospitals to use a specific amount of their community benefits dollars on specific activities would allow little flexibility to tailor their funding to those identified health care related priorities.
- As a result, the proposal is likely to result in hospitals shifting spending away from community-identified health care-related priorities such as mental health counseling services, free immunization clinics, and continuing medical education for safety net providers.

**Setting a specific spending benchmark doesn't allow hospitals to be nimble when they're most needed, and places undue strain on resources that are already stretched thin.**

- Flexibility to respond to ongoing and emergent needs allowed hospitals to respond to the shifting needs of patients during the COVID-19 pandemic, and that flexibility should be preserved.
- To respond during the pandemic, hospitals altered their community benefits to include such programs as enhanced mobile health care, partnering with churches and other community-based organizations to set up testing and vaccination sites, and donating PPE to enable these community partners to continue serving disadvantaged communities.
- At a time when a majority of California hospitals (51%) are operating in the red, this proposal will result in many hospitals needing to increase overall funding for community benefits, thus increasing the overall cost of health care, which runs counter to the governor's proposal on health care affordability.