

Equitable Health Care Demands Equitable Health Funding







Frozen Medi-Cal rates disproportionately affect people of color



of low-income Californians

who rely on Medi-Cal are from communities of color

26% Because Medi-Cal underfunding results in a **26% payment shortfall** for health care providers, hospitals that serve communities whose residents are heavily enrolled in Medi-Cal are disadvantaged. These hospitals:

-  Have a harder time recruiting and retaining staff
-  Have fewer resources for advanced medical equipment
-  Have trouble maintaining support programs for chronic disease
-  Face challenges in upgrading technology and advancing patient care

It will take big changes to Medi-Cal reimbursement to course-correct a deeply underfunded system. CHA is proposing the following to address the systemic funding issues and take into account the individual challenges patients face:

Replace the policy that froze hospital APR-DRG (a schedule of payments for common procedures) rates at 2012-13 levels

New, annual payment adjustments to account for patients' social and environmental challenges

Convert public hospitals' Medi-Cal fee-for-service inpatient reimbursement to a value-based structure that includes state general fund support

