



HOSPITAL CEO PREPARATION

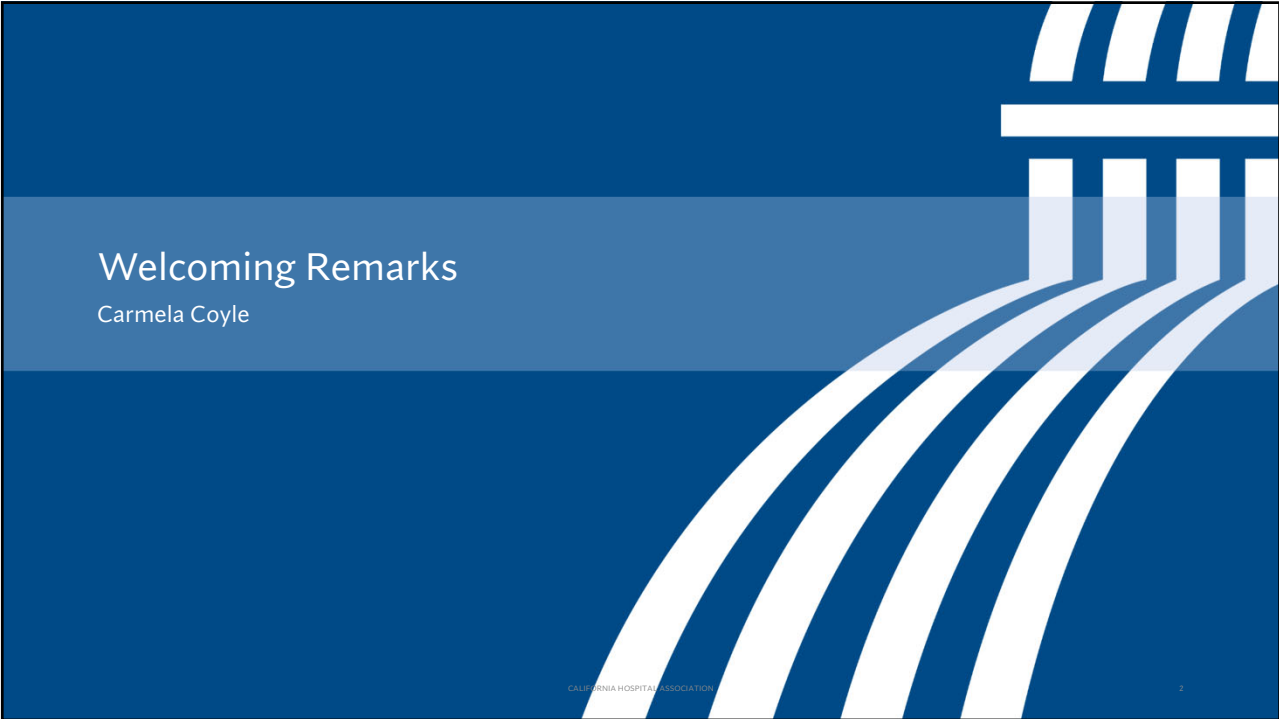
Hospital Appreciation Day: Capitol Legislative Reception, May 9

May 5, 2022



California
Hospital
Association

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Welcoming Remarks

Carmela Coyle

CALIFORNIA HOSPITAL ASSOCIATION

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Questions and Answers



A question-and-answer period will be held after the presentations.

Online Questions/Comments: At any time, submit your questions or comments in the Chat box at the bottom of your screen, press enter.

Audio Questions/Comments: Select “Raise Hand” at the bottom of your screen and your line will be unmuted. If listening by phone only, press *9.

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Presenters from California Hospital Association



Carmela Coyle
President & CEO



Kathryn Austin Scott
Senior Vice President, State Relations & Advocacy



Kiyomi Burchill
Group Vice President, Policy



Ryan Witz
Group Vice President, Policy

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Political Landscape


Kathryn Austin Scott

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Significant Hospital Financial Strain



CHA-Commissioned [Study from Kaufman Hall](#) released April 19 found:

- For the first time in recent history, more than half of California’s hospitals (51%) are now operating in the red.
- In 2021, California hospitals lost nearly \$6 billion, about three times more than the \$2.2 billion that had been projected.
- 2021 loss comes on top of more than \$14 billion in losses in 2020.
- California hospitals have collectively lost more than \$20 billion since the beginning of the pandemic; even after.
- Accounting for federal relief through the CARES Act, hospitals are coping with a \$12 billion loss.

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CHA-Commissioned [Study from Kaufman Hall](#) released April 19 found:

- Higher expenses are the key factor behind the growing gap between revenue and expenses.
- Total costs for California hospitals — largely driven by higher labor costs and medical supply chain shortages — rose 15% in 2021, outpacing the 11% national average.
- Overall, California hospital margins were 26% lower on average than prior to the pandemic.

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Disaster Preparedness Modernization: Updating the 2030 Seismic Requirements

Kiyomi Burchill

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Assembly Bill (AB) 1882 (Rivas) Seismic

Sponsored by the California Labor Federation

- AB 1882 (Rivas) requires hospitals to:
 - Report to their local governments about their status in meeting the 2030 requirements.
 - Attest to being aware of the 2030 requirements.
 - Post the seismic risk of their hospital buildings.
- CHA **opposes this bill unless it is amended**. Hospitals will struggle for years to recover from the financial impact of COVID-19 and the time is now for a more focused disaster readiness solution and deadline extension for hospitals on the brink of closure.

Senate Bill (SB) 1339 (Pan) Seismic:

Author-sponsored

- SB 1339 identifies some of the key considerations that should advance the policy discussion on updating the 2030 requirements.
- CHA **supports this bill, if amended**, to include a policy solution that will make it possible for all hospitals to continue to care for their communities.
- California can't wait for this report to be completed in 2024 — a resolution must be reached sooner or communities throughout the state will begin to see negative impacts we all want to avoid.

Key Messages: The Hospital Disaster Preparedness plan will:

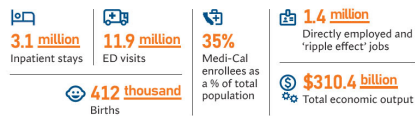
- Ensure ongoing **emergency services**.
- Provide hospitals **time to recover** from the devastating impacts of the COVID-19 pandemic.
- Failure to modernize the law will mean fewer and outdated health care services for California. *The future of care delivery hangs in the balance.*

Modernizing California's Hospital Disaster Preparedness Standards — The Future of Care Delivery Hangs in the Balance

As California's hospitals recover from the devastating impacts of the COVID-19 pandemic, they face a looming building standards mandate that will divert billions of dollars from patient and community investments. After decades of work and billions already spent to make California hospitals the gold standard for structural safety, hospitals are well-prepared to respond to earthquakes or other disasters. Now, it is time for lawmakers to focus on the future of care delivery by prioritizing policies that ensure ongoing emergency services and provide hospitals time to recover from the pandemic.



Every year, hospitals in California support:



Hospitals are struggling

39% of hospitals operate in the red
More than **\$10 billion** in losses, even after federal CARES Act funding (2020-21)

Community priorities hospitals in California would like to invest in:

- Workforce training and retention programs for nurses and allied health professionals
- Expansion of behavioral health prevention and treatment programs
- Digital infrastructure to support telehealth and other remote care capabilities
- Expansion of outpatient and ambulatory care services
- Collaborative initiatives to reduce health disparities among diverse populations

To be better prepared for future disasters, hospitals say California needs:

- Advanced detection and care for infectious diseases
- Improved patient transportation services and evacuation capabilities
- Improved back-up power systems
- Enhanced regional emergency communications capabilities
- Expanded EMS resources



Modernizing California's Hospital Disaster Preparedness Standards – The Future of Care Delivery Hangs in the Balance

The Issue

One of the most important lessons of the COVID-19 pandemic has been that emergencies often play out in unexpected ways. Flexibility and innovation are essential to ensuring people get the lifesaving care they need, when and where they need it.

The **Hospital Disaster Preparedness Plan** leverages the lessons learned during the pandemic, ensuring that patients and communities have access to needed emergency care in the immediate aftermath of an earthquake or other disaster. The plan will make certain that **every hospital building in California is able to withstand a major earthquake**, providing the highest level of protection to patients and health care workers in the nation.

And those **buildings that house emergency care and related support services will be fully operational** after a seismic event.

Importantly, **the plan will make responsible use of finite health care resources**, enabling hospitals to **prioritize investments in critical areas like rebuilding a depleted health care workforce, additional patient care services, and community programs** that are vital not only for disaster response, but for the future health and well-being of every Californian. The ability to recruit and retain caregivers is of particular importance, as hospitals and other providers face severe workforce shortages. And, investments in new life-saving technologies, expanded outpatient facilities, and advanced digital care capabilities are all essential building blocks for the health care delivery system of tomorrow.

Building the delivery system of tomorrow



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- Collaborative initiatives to reduce health disparities among

Medi-Cal Budget Proposals

Ryan Witz

Talking Points: CHA's Budget Proposal – Medi-Cal Equity



Key Message:

Support CHA's budget proposal to update Medi-Cal fee-for-service inpatient reimbursement to create greater equity in care and better health outcomes for California's highest risk residents.

Budget Request:

Ongoing; \$830M total funds (\$330M state general funds)



February 24, 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 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 Access to Equitable Health Care – Support CHA Request

Dear Senator Eggman and Assembly Member Arambula:

Medi-Cal provides health coverage to low-income Californians – one-third of the entire state and nearly half of all children – and those who rely on Medi-Cal coverage are disproportionately people of color (two-thirds are non-white). But Medi-Cal beneficiaries are shortchanged: systemic underfunding means that those who care for Medi-Cal patients are reimbursed just 74 cents for every dollar they spend providing care, resulting in fewer resources for California's most vulnerable communities.

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Talking Points: CHA's Budget Proposal – Medi-Cal GME



Key Message:

Support CHA's budget proposal to dedicate state general funds to expand Medi-Cal Graduate Medical Education to include all eligible hospitals—not just designated public hospitals.

Budget Request:

Ongoing; \$900M total funds (\$300M state general funds)



February 24, 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 Dr. Joaquin Arambula
Chair, Assembly Budget Committee, Subcommittee No. 1 on Health and Human Services
1021 O St., Room 6240
Sacramento, CA 95814

Subject: Invest in Medi-Cal Graduate Medical Education – Support CHA Request

Dear Senator Eggman and Assembly Member Arambula:

As a result of the pandemic, California hospitals are facing the worst staffing shortage in recent history. Nationally, the number of health care workers has dropped by 20% since the beginning of the pandemic – with many deciding to retire early, leave hospital employment, or leave the profession altogether. In

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Questions



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Don't Forget—Special CHA Reception



After the Capitol event, members are invited to a special reception at CHA's headquarters to reconnect with colleagues over refreshments and hors d'oeuvres.

CHA Member Reception
6 - 7 p.m.
1215 K Street, Ste. 700
Sacramento, 95814



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Thank You for Representing California's Hospitals



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A blue slide with white text and a graphic of white curved lines on the right side. The text provides contact information for the California Hospital Association.

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