

# Vulnerable Californians at Risk to Lose Critical Health Care Services

California's hospitals — where the state's most vulnerable receive life-changing and life-saving care — are in trouble.

**\$20 billion**

hospital losses after more than three years

**52%**

of hospitals losing money

**19%**

increase in pharmaceutical costs

**18%**

increase in medical supply costs

**22%**

increase in labor costs

**1 in 5**

Hospitals at risk of closure.

**0**

state support for hospital recovery

## Care patients and communities rely on is already deteriorating.

- In January, **Madera Community Hospital** was forced to close its doors, forcing those relying on the hospital for care to travel as far as **Fresno**, nearly 30 miles from the city of Madera.
- In February, Imperial County's largest hospital, **El Centro Regional Medical Center** announced the hospital was running out of cash.
- In **August**, **San Diego County** learned it would lose **28% of its geriatric psychiatric beds**, used to care for people experiencing dementia or other mental illness, when Palomar Medical Center in Poway had to shutter 17 specialty beds.
- In October, **nearly 300 people in Visalia lost their jobs** when Kaweah Health Medical Center — the city's second-biggest employer — was forced to reduce staff to make ends meet.
- In April, **Beverly Hospital** in Montebello filed for bankruptcy.
- In the fall, **Modoc Medical Center** paused on development of **home health, hospice care, and geriatric psychiatry** programs.



By 2040, California's population is projected to increase by

**3.5 million.**

**2.4 million**

of those people are expected to be Latinx.

People of color are expected to increase by

**3.3 million.**

**Two-thirds** of low-income Californians who rely on Medi-Cal are people of color. Medi-Cal underfunding means enrollees are cared for by providers with fewer resources, essentially creating a health care caste system.

With services at risk of being reduced and outright closures looming, California's most vulnerable would see their access to care decline.

**Since 2012, Medi-Cal rates have been frozen — creating a two-tiered system for health care in California that places a greater burden on working families.**

**\$65 billion** shortfall for Medi-Cal hospital services compared to expenses from 2010-2021.

## WHAT'S NEEDED

The state has not increased certain Medi-Cal rates paid to hospitals for over a decade. California's health care system needs a \$1.5 billion lifeline in 2023, followed by structural rate increases to prevent future crises, to absorb the impact of the inflationary crisis and protect access for Californians with the greatest health needs.

