



DISTRICT HOSPITAL LEADERSHIP FORUM

United Hospital Association



Representing California's Catholic Health Systems and Hospitals

PEACH
California's Community
Safety-Net Hospitals

December 11, 2023

Dear Members of the California Congressional Delegation:

On behalf of the California Disproportionate Share Hospital (DSH) Task Force, composed of the state's public and community safety-net hospitals, **we are writing to seek your assistance in requesting that the federal Centers for Medicare & Medicaid Services (CMS) approve California's Medicaid Hospital Quality Assurance Fee Program (HQAF) as quickly as possible and no later than December 31, 2023.**

The DSH Task Force represents many California hospitals and health systems, including county-owned and operated organizations, hospitals affiliated with the University of California, district hospitals, community hospitals, and children's hospitals. Although the size, structure, and payer mix vary, these providers serve the highest proportion of low-income, uninsured, and Medicaid patients in the state.

CMS has consistently approved HQAF since it began operating in California in 2010. Designed so that the resources follow the patients, communities served by these hospitals see increased access and availability of services. California's hospitals also provide essential services such as primary and specialty care, trauma care, neonatology, burn care, pediatric care, and behavioral health care to all 40 million Californians — regardless of their coverage status.

It is imperative that California's HQAF be approved as quickly as possible and no later than Dec. 31. The financial condition of California hospitals — more fragile than it has ever been — is highly reliant on the timely implementation of the program so vital resources can flow to support hospitals' efforts to care for their communities. A 2023 report from the national consulting firm Kaufman Hall found that one in five California hospitals is at serious risk of closure. Given the bleak financial picture, any delay in approval of the program leaves California hospitals and their communities with greater uncertainty about the future of their health care.

California submitted its HQAF package for federal approval in March 2023. Since then, the package has gone through a lengthy and comprehensive review at the CMS regional level to ensure compliance with all federal requirements. With that review now complete and having met all federal requirements, approval by CMS' central office should be expedited.

Historically, while CMS' central office review is a required part of the process, it has been fairly perfunctory and has not resulted in substantive changes after regional office review. It is also important to note that the fee and payment structure of the pending submission mirrors that of past hospital fee programs, which CMS has routinely approved.

Representatives Doug LaMalfa and Doris Matsui are leading a delegation letter to CMS Administrator

Chiquita Brooks-LaSure urging the agency to quickly approve the California HQAF program before the close of the calendar year. The DSH Task Force respectfully requests your support for this letter. Please contact Riley Scott (riley.scott@mail.house.gov) in Rep. LaMalfa's office or Jackie Weinrich (jackie.weinrich@mail.house.gov) in Rep. Matsui's office by Dec. 15.

Sincerely,



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Executive Director
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Nathan S. Davis
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