



January 13, 2024

Mark Ghaly, MD, MPH  
Secretary, California Health & Human Services Agency  
1215 O St.  
Sacramento, CA 95814

**RE: Preserving access to hospital care for vulnerable Californians**

Dear Secretary Ghaly:

The ability of California's hospitals to provide high quality and timely medical care to the state's most vulnerable residents is threatened. Arbitrary reductions in care networks limit the ability of Medi-Cal beneficiaries to access medically necessary services when and where they need them, particularly during periods of high demand.

CHA recognizes and applauds the commitment of the California Department of Health Care Services to improving access to care and health outcomes for Medi-Cal beneficiaries, demonstrated by the ongoing implementation of California Advancing and Innovating Medi-Cal. The success of this effort, however, depends on effective partnership with Medi-Cal managed care plans and their willingness to maintain adequate provider networks for enrollees, as required by California law.

Throughout the state, many hospitals report high patient volumes, resulting in periods of time when they are near — or even over — full capacity. In these circumstances, it is critical that the state make clear to health plans their obligation to support the ability of their members to get the care they need. Additional limitations on the networks of care providers available to Medi-Cal enrollees are significant barriers for vulnerable Californians.

A recent example has emerged in Orange County, where several hospitals have expressed significant concern regarding the pending contract termination between CalOptima, the county organized health system, and four disproportionate share hospitals. By not including all safety net hospitals in the network, the burden of care shifts to remaining local hospitals at a time when they are already challenged with limited emergency department and inpatient capacity. This unnecessary barrier for patients will lead to harmful delays in access to medically necessary care and to additional overcrowding in emergency departments.

HHS must take immediate action to investigate and address these concerns, and to ensure that all residents of Orange County can access the hospital care they need when they need it. As always, CHA welcomes the opportunity to work together on this critical issue. Thank you for your consideration.

Sincerely,



Carmela Coyle, President & CEO

cc: Michelle Baass, Director, California Department of Health Care Services  
Mary Watanabe, Director, California Department of Managed Health Care