



March 22, 2024

The Honorable Mia Bonta  
Chair, Assembly Health Committee  
1020 N Street, Room 390  
Sacramento, CA 95814

**SUBJECT: AB 2956 (Boerner) — Medi-Cal Eligibility: Redeterminations — SUPPORT**

Dear Assembly Member Bonta:

Every day, hospitals throughout California care for the state's most vulnerable populations, who often have no place else to turn for help. This includes providing access to hospital-based care for the roughly 15 million Californians enrolled in the Medi-Cal program.

**For this reason, the California Hospital Association (CHA), on behalf of more than 400 hospital and health system members, supports Assembly Bill (AB) 2956, which would modify the Medi-Cal eligibility redetermination process, subject to federal approval. AB 2956 would extend provisions related to continuous eligibility for adults and increase county flexibility related to income verification with the goal of making it easier for individuals to maintain their Medi-Cal coverage.**

CHA and its member hospitals believe all Californians should have access to quality, equitable, integrated health care. However, for low-income Californians who rely on Medi-Cal coverage — two-thirds of whom are people of color — access to a full scope of health benefits will only be possible if there is a sufficient network of providers for Medi-Cal patients.

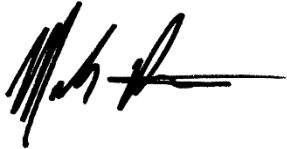
Hospitals are struggling financially, making it difficult to maintain access to services. Medi-Cal's poor reimbursement rates have strained California's hospital safety net and costs have increased by double digits for labor, pharmaceuticals, and supplies. The state has not increased certain Medi-Cal rates paid to hospitals for over a decade. California's health care system, including hospitals that care for the most vulnerable, needs a lifeline to absorb the impact of the inflationary crisis. Commitments by the Administration and the Legislature to increase Medi-Cal funding through the Managed Care Organization tax are a step in the right direction, but more must be done.

Communities with high Medi-Cal enrollment already suffer from a severe lack of health care providers, often relying on hospitals as their primary care solution. Now, hospitals are facing difficult decisions, from cutting services and reducing access to outright closure. As a result, California's most vulnerable, including people living in rural and underserved areas, would see their access to care decline.

CHA is in full support of policies that would increase coverage and reduce the rate of uninsured, but such efforts are meaningless unless there is a sufficient network of hospital providers for these individuals throughout the state providing the services they need. In order for that access to be realized, it is imperative the state provides the resources necessary to support hospitals and maintain access to California's health safety net.

For these reasons, CHA supports AB 2956.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Farouk', with a long horizontal flourish extending to the right.

Mark Farouk  
Vice President, State Advocacy

cc: The Honorable Tasha Boerner  
The Honorable Members of the Assembly Health Committee  
Lisa Murawski, Principal Consultant, Assembly Health Committee  
Justin Boman, Consultant, Assembly Republican Caucus