



July 18, 2024

The Honorable Buffy Wicks
Chair, Assembly Appropriations Committee
1021 O St., Suite 8220
Sacramento, CA 95814

SUBJECT: SB 1423 (Dahle) – SPONSOR

Dear Assemblymember Wicks,

Nearly 750,000 of the state's 2.3 million rural residents live in communities served by California's critical access hospitals (CAHs). These are the people who all Californians depend on for food, water, power, and the preservation of the state's natural beauty. Now, the lifesaving and life-changing hospital care they depend on is at risk.

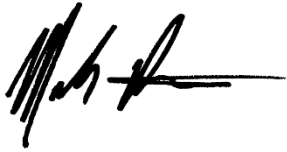
California's 37 CAHs, serving communities located at least 35 miles from another medical facility, have seen their operating margins drop by a frightening 8 percentage points from 2019 to 2023, and two-thirds lose money every day to deliver care and maintain access to vital services. Their financial stability is rapidly deteriorating.

Senate Bill (SB) 1423 (Dahle, R-Bieber) would create a Hospital Technical Advisory Group within the Department of Health Care Services (DHCS) to analyze the ability of small, rural, or critical access hospitals to remain financially viable under existing Medi-Cal payment methodologies. CHA supports the development of this advisory group to evaluate and make recommendations to protect the ability CAHs to continue to provide health care services in their communities.

A key responsibility of this advisory group is the inclusion of representatives from small, rural, or critical access hospitals, as well as organizations that represent rural communities. This process will give voice to rural communities and their health care providers to have the conversations necessary to make informed decisions on the future of rural health care delivery. DHCS will then submit a report to the Legislature with recommendations to improve the financial stability of these vulnerable hospitals.

The state must continue to meet the needs of California's rural areas to preserve health care access for all Californians. For these reasons, the California Hospital Association is pleased to sponsor SB 1423.

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 Brian Dahle
Honorable Members of the Assembly Appropriations Committee
Allegra Kim, Assembly Appropriations Committee
Joe Shinstock, Consultant, Assembly Republican Caucus