



February 10, 2025

Members of the California Congressional Delegation:

Over the next few weeks, you will face consequential decisions on health care issues, the effects of which will be felt for years to come. We hope you will move quickly to protect the Californians who rely on hospitals for vital health care services by addressing several outstanding issues left unresolved by the current continuing resolution that expires March 14.

Hospitals are fragile. More than half of all hospitals in California lose money every day delivering care. Dozens more are barely above break-even. With each vote, you will have the opportunity to either offer a lifeline or deliver another cut to a health care system on the brink.

One thing is certain: With your support, hospitals can continue to provide lifesaving, life-changing care to their communities. On behalf of more than 400 hospitals and health systems serving the Californians we are all committed to help, we ask that you support a *continuing resolution* that would:

Protect Vulnerable Californians: Restore Payments to Disproportionate Share Hospitals

California's most vulnerable populations — including children, those over the age of 65, impoverished populations, and those living with disabilities — rely on programs made possible by Medicaid's disproportionate share hospital (DSH) program. More than 150 hospitals in California participate in the DSH program, which provides a lifeline that supports services such as trauma and burn care, maternal and child health, high-risk neonatal care, and more. DSH resources are also vital to deliver care to those without any health coverage at all.

Without congressional action, major cuts to this essential program are scheduled to take effect on April 1, 2025, and would reduce payments to California's hospitals by as much as \$1.3 billion. Congress, understanding how essential Medicaid DSH funding is to these struggling hospitals, has repeatedly delayed the implementation of Medicaid DSH cuts with strong bipartisan support. To preserve access to vital services, Congress must act again.

Please delay cuts to this lifesaving program and ensure that hospitals can continue to serve their communities.

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Ensure Cost-Effective Access to Care: Extend Telehealth and Hospital-at-Home Policies

Telehealth and Hospital-At-Home programs are vital lifelines to patients who need access to care from their homes. Congress has repeatedly demonstrated bipartisan support for these essential programs, which have proven to improve quality and efficiency by facilitating patient compliance and follow-up care.

Please extend access to care for patients who rely on these cost-effective services after April 1.

Help Rural Hospitals Continue to Care for Patients: Extend Supports for Rural Hospitals

Nearly 2 million people live in California’s rural communities — and their access to life-saving hospital care is at risk due to significant underpayment by the Medicare and Medicaid programs. Many small and rural hospitals in California mirror a troubling national trend: on average, they have seen their operating margins drop by a frightening 8 percentage points from 2019 to 2023. Between January 2013 and February 2020, more than 100 rural hospitals nationwide closed, including two in California — Corcoran District Hospital and Madera Community Hospital. When a rural hospital closes, those in poor health, seniors, and low-income Californians suffer the most.

Additional Medicare payments for ambulance services, Medicare-dependent and low-volume hospitals are set to expire at the end of March or early April.

Please extend the Ambulance Add-on, and Medicare-dependent and low-volume adjustments.

Your local hospitals desperately need your help to continue our mission of lifesaving care. Your vote on a continuing resolution to ensure access to care for Californians can help protect the communities we all serve.

Sincerely,



Carmela Coyle
President & CEO
California Hospital Association