

Welcome and Opening Remarks

Erika Frank

Vice President, Policy and Legal Counsel
California Hospital Association

California Hospital Fun Facts

Types of Hospitals in California

Over 450 hospitals and health systems

- **3 Types of Licensing Categories for Hospitals**
 - General Acute Care Hospitals (GAC)
 - Acute Psychiatric Hospitals
 - Special Hospitals
- **Other Types of Hospitals**
 - Inpatient Rehabilitation Hospitals
 - Long Term Acute Care Hospitals
 - Children's Hospitals
 - Rural Hospitals
 - Federal Designations—Critical Access Hospitals



Hospital Regulation: A Shared Oversight System

State Oversight

Health & Human Services Agency (CalHHS)

Patient care, public health, coverage, and health system oversight

- Department of Public Health (CDPH)
- Department of Health Care Services (DHCS)
- Health Care Access & Information (HCAI)
- Department of Managed Health Care (DMHC)

Business, Consumer Services & Housing Agency (BCSH)

Licensing and oversight of health care professionals

- Medical Board of California (MBC)
- Board of Registered Nursing (BRN)
- Board of Pharmacy (BoP)

Labor & Workforce Development Agency (LWDA)

Workplace safety, labor standards, and workers' compensation

- Cal/OSHA
- Department of Industrial Relations (DIR)
- Workers' Compensation

Federal Oversight

Centers for Medicare & Medicaid Services (CMS)

Federal certification and payment oversight

- Certifies hospitals to serve Medicare and Medi-Cal patients
- CDPH conducts inspections on CMS's behalf

Hospital Funding and Finance

The health care toll so far in California

California's health care system is diminishing in real time, as hospitals are forced to cut services, reduce staff, or close altogether.

 **9** hospitals closed since 2020, with an additional 16 requiring the state's help to remain open

 **3,500** health care layoffs in 2025 alone

 **40** maternity units closed since 2020

 **12** counties in California with no hospital maternity services

Impact of OBBBA

 **2 million** Nearly 2 million Californians could lose insurance coverage

 **\$66–\$128 billion** Payments to hospitals could be reduced by \$66–\$128 billion over 10 years

 **nearly \$10 billion** Hospitals' uncompensated care costs could increase by nearly \$10 billion over 10 years

Hospital Workforce at a Glance

- There are about **500,000 hospital workers** in California.
- There are many different types of workers and professionals in California's hospitals.
- **The hospital industry supports over one million jobs.**
- Health care **workforce shortages** persist in California and nationally.



Hospitals Create Careers

- The **average wage** for all hospital workers in California is about **\$106,000***, well above the median wage for all workers.
- Nurses in California earn more than in any other state, even when adjusted for cost of living.
- California's health care workers have the **highest statewide minimum wage** in the nation.
- California's health care workers have some of the **best and most comprehensive workplace safety standards** across sectors.

• * As of the most recent data collected by HCAI – Department of Health Care Access and Information (2024)

Wages for hospital workers **grew 38%*** in the past five years.



\$148,330

CA nurses are the **highest paid** in the nation



CA nurses are paid

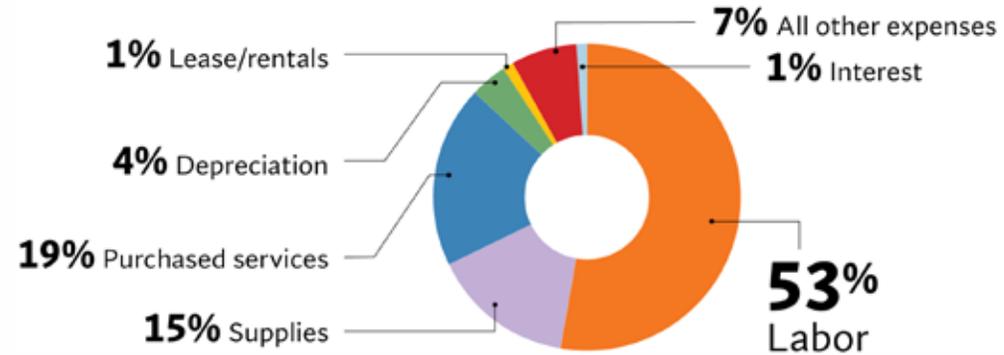
\$71 an hour,

51% above the national average

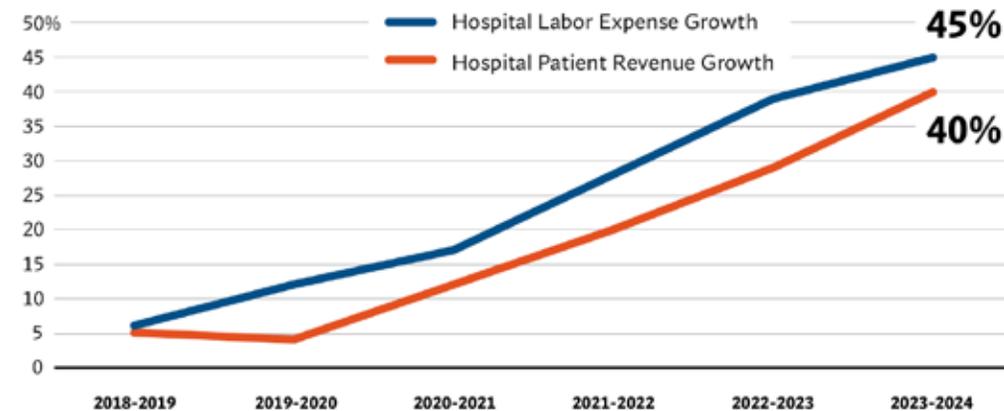
Hospital Workforce Investments

- Hospitals **invest more in their workforce** than any other category.
- Hospital spending on its **workforce has doubled** in the last 10 years.
- Health care **workforce demand** and salaries continue to grow faster than total health care spending.

Hospital expenditures



Compounded growth in hospital patient revenue vs labor expense



Top 10 Things to Know About California Hospitals

1. California ranks **second lowest** in the nation for the proportion of residents with multiple chronic conditions.
2. California has the **lowest maternal mortality rate** in the country.
3. Californians covered by Medi-Cal accounted for 19.2 million hospital visits and admissions.
4. People visited hospital emergency departments **15.5 million** times.
5. Hospitals employ close to **530,000 workers** and generate more than **\$406 billion** in economic activity.
6. More than **400,000 babies** were born in California hospitals in 2024.
7. Wages for hospital workers have **grown 38%** in the past five years.
8. Hospitals provided mental health care for nearly **700,000 patient visits** in 2023.
9. California hospitals train more than **15,000 doctors** each year.
10. **1 in 4** Californians receives care at a hospital.



Thank You

Erika Frank

Vice President, Policy and Legal Counsel

California Hospital Association

efrank@calhospital.org