

# Protecting Access to Care for All Californians

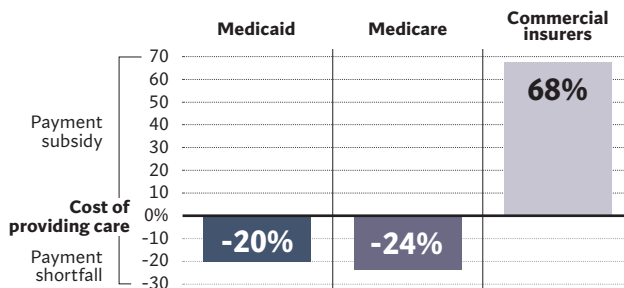
California hospitals make miracles a daily routine. They save the lives of extremely premature babies, extend the lives of cancer and other patients, improve the lives of those experiencing traumatic illness and bodily harm, and more. Californians need and deserve these services, along with the ability to access them through their health coverage.



With **44%** of California hospitals losing money every day to care for patients, the health care services upon which their communities rely are at risk. **When a hospital closes because of underpayment from Medicare or Medicaid, it closes for everybody.**

## How Hospitals Are Financed

Government payers — **Medicaid and Medicare**, which cover 73% of hospital patient volume — don't cover costs. Medicaid pays just 80% of what it costs hospitals to care for patients, and Medicare covers just 76%.



Who is using hospital services? **35%** | **38%** | **23%**

## Congress should protect people and communities at risk of losing vital health services by:

### ► Preserving health care coverage —

Medicaid is a state-federal partnership that needs stability and predictability to ensure beneficiaries and providers are protected. Federal support for coverage through the Affordable Care Act should be protected.

**14.3 million**

– the number of Californians (5.2 million under age 20) covered by Medicaid

**1.6 million**

– the number of Californians who rely on federal support to purchase health insurance

### ► Strengthening hospitals' ability to provide care —

With hospitals struggling, policies that further reduce funding would put more Californians at risk. Congress should:

**1. Prevent expansion of Medicare's site-neutral payment policy to hospital outpatient departments.** Site-neutral payment policies fail to account for fundamental differences among hospitals and other ambulatory care settings, and Medicare's most vulnerable beneficiaries depend on outpatient hospital departments for their complex clinical needs.

**2. Extend a delay of or cancel entirely planned Medicaid disproportionate share hospital (DSH) payment reductions.** These hospitals are high Medicaid providers, often operating with negative margins, and simply cannot sustain additional cuts to reimbursement.

**3. Support legislation to prevent service reduction or closure among rural hospitals.** Efforts to preserve access to ambulance services and obtain financial support through flexible loan programs are key to protecting remote hospitals.

**2/3** of all hospitals have **negative Medicare margins**

Rural hospitals have an average operating margin of **-3%** — but critical access hospitals are even lower, at **-9%**