

Statement by CAPH on AB X1 1 (Nunez, Perata)

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CAPH applauds the Legislature and Governor for their leadership in addressing the critical issue of health care reform in California as evidenced in AB X1 1 (Nunez, Perata). We have a long-standing commitment to universal coverage and access, and are pleased to be able to support the goals of this Assembly bill and many of the provisions contained within it. We are hopeful that outstanding matters regarding key county issues will be resolved when the bill reaches the Senate or in the companion ballot initiative.

CAPH is made up of the 20 public hospitals throughout the state that are a cornerstone of California's health care system, both through the care they provide to low-income and uninsured Californians and in their role of providing critical services such as trauma and burn care to entire communities and training half of the state's new physicians.

Public hospitals have a fundamental role in our state's health care system, and they must be an essential component of a reformed system if we are to meet the goal of expanding access to health care for millions of Californians. To that end, CAPH has been working with the Legislature, Administration and other stakeholders to ensure that public hospital systems will be able to maintain vital services and provide coordinated systems of care to meet the needs of their patients and communities. Public hospitals must remain financially stable and sustainable to achieve this goal. Our work to assure this objective has been concentrated on the following three policy and funding issues:

Medi-Cal Rates to Public Hospitals: Under AB X1 1, public hospitals will receive a significant Medi-Cal rate increase. Currently, public hospitals receive 50 cents for every dollar of services provided to Medi-Cal beneficiaries. Addressing this under-funding of Medi-Cal is essential if public hospitals are to maintain and improve access to care under health care reform. CAPH worked with the Legislature and Administration to achieve a compromise Medi-Cal rate increase for public hospitals and that compromise is reflected in AB X1 1.

Local Coverage Option: CAPH supports the expansion of coverage to childless adults under health care reform. The Local Coverage Option (LCO), which draws upon the extensive experience and expertise of public hospitals and community clinics in serving low-income childless adults, is a transition plan to achieve the twin goals of improving access to care for safety net patient populations and ensuring that public hospital systems are stable and viable under reform. CAPH greatly appreciates and supports the inclusion of the LCO in AB X1 1.

County Share of Cost: CAPH has been working in partnership with CSAC on the county share of cost issue and we are prepared to accept a workable share of cost proposal as part of a

comprehensive reform package. The county share of cost will be part of the ballot initiative and is part of a package of county-related issues that, in our understanding, have not yet been fully clarified. CAPH considers this issue to be an essential element of the proposal, and thus its satisfactory resolution is of critical concern to our members.

CAPH appreciates the effort to ensure that public hospitals will be able to continue their critical role of serving their patients and communities under health care reform. We are hopeful that the remaining, related issues in the companion ballot initiative can be resolved.