



California's Community Safety-Net Hospitals

Essential to Access, Essential to Health



Private Essential Access Community Hospitals (PEACH)

Community safety-net hospitals are essential to **serving California's most vulnerable populations that live in rural, urban, agricultural and metropolitan areas throughout the state.** They are federally qualified Disproportionate Share Hospitals (DSH), meaning they are integral to meeting the health care needs for all Californians and they must be protected and preserved.

Community safety-net hospitals create innovative solutions to serve individuals and families by adapting to their unique social and health care needs. **PEACH hospitals choose to serve the communities most in need and at greatest risk for adverse health outcomes. PEACH hospitals serve by mission, not by mandate.**

We Are Essential to Access



One-third of all Medi-Cal beneficiaries receive care in one of the state's community safety-net hospitals.



Medicare and Medicaid cover 8 out of 10 patients treated in community safety-net hospitals.



California's under-resourced communities rely on the community safety-net. The State cannot afford to lose these important health care partners.



California's community safety-net hospitals are struggling, having lost \$124 million from operations in 2023, resulting in closures and bankruptcies, continuing into 2024 and 2025.

We Are Essential to Health



In 2024, almost 68% of voters in California voted in favor of improving funding for Medicaid.



Nearly 1 in 4 Californians in emergency and trauma centers are treated in community safety-net hospitals. These hospitals provide the full spectrum of hospital care, including hospital outpatient clinics and tertiary care.



Over half of all babies delivered in the state's lower-income communities are born in community safety-net hospitals.



Serving and Employing Constituents Across California

Community safety-net hospitals play a vital role serving Medicaid and Medicare patients, ensuring access to quality care for those who need it most.

California's 88 community safety-net hospitals comprise more than half of California's health care safety net and provide care throughout the state's rural, urban, agricultural and metropolitan areas.

Comprehensive Care for Dual Eligibles:

- **Two-thirds of Medicare patients** served by PEACH hospitals are also eligible for Medi-Cal.

Rewarding and Dependable Jobs

- Throughout California, community safety-net hospitals provide **more than 77,000 jobs** with competitive pay and benefits.

Medicaid patients and low-income elderly patients count on Medicaid and Medicare for their health care. Community safety-net hospitals provide the most care to these patients – 86% of the care delivered by community safety-net hospitals is delivered to Medicaid and Medicare patients.

Any changes to Medicaid and Medicare programs – with reimbursements usually inadequate to cover the cost of care – affect these Disproportionate Share Hospitals (DSH) disproportionately compared to other hospitals in more affluent areas. DSH hospitals have smaller pools of privately insured patients and have very little bargaining power to secure rates to maintain the hospitals' financial health.

59% of community safety-net hospitals operated at a loss in 2023.

CONGRESSIONAL ACTION NEEDED

Designate hospitals that qualify as “deemed DSH” hospitals to be a new class, “Safety-Net Hospitals.” Use the designation to invest in the hospitals that serve the most low-income patients and protect the hospitals that provide the most Medicaid care and the most care to low-income seniors from cuts that would destabilize the state's entire health care delivery system and the economic stability of its communities.