



Private
Essential
Access
Community
Hospitals

California's Community Safety Net Hospitals
Essential to Access, Essential to Health

April 23, 2020

The Honorable Nanette Barragan
United States House of Representatives
Washington, DC 20515

The Honorable Lizzie Fletcher
United States House of Representatives
Washington, DC 20515

Dear Representatives Barragan and Fletcher:

I am writing on behalf of Private Essential Access Community Hospitals (PEACH), statewide association representing California's core community safety net hospitals that care for a disproportionate share of low-income, medically vulnerable patients, to express our support for your proposal to delay the implementation of the Medicaid fiscal accountability regulation (MFAR) for two years.

As a coalition of private California safety-net hospitals, PEACH is especially concerned about the MFAR rule's potential impact on our state and its Medicaid program. If implemented, it could drastically reduce funding for Medi-Cal, the state Medicaid program on which nearly 17 million Californians – 42 percent of the state's population, many of them your own constituents – depend on to meet their medical needs.

PEACH agrees that the MFAR rule would hurt low-income Californians, hurt our state's Medi-Cal program, and hurt providers located in low-income communities. In particular, we oppose the regulation's attempt to interfere with how California finances its Medi-Cal program. We are especially concerned that the MFAR rule would enable federal regulators to reject state Medicaid funding mechanisms that are explicitly permitted under federal law and have been approved in the past. This could jeopardize Medi-Cal's financial foundations.

If implemented, the MFAR rule could jeopardize access to care for millions of Americans. For this reason, PEACH thanks you for your efforts to address this problem and supports your bill to delay the implementation of the proposed rule for two years. If there is anything we can do to help you with this effort, please do not hesitate to contact us.

Sincerely,

Anne McLeod
President and CEO

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