

Recognizing and Defining the Hospital Safety-Net



SB 1269 (Padilla)

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Why is this important?

Absent defining criteria, targeting policy issues aimed at bolstering health equity in low-income and remote communities have often missed their mark, leaving vulnerable individuals and families with less equitable access to healthcare and services.

Disproportionate Share Hospitals (DSH) see over half of all Medi-Cal patients in the State. Hospitals in rural and remote areas are the only source of care for those communities. These providers are reliant on lower resources because Medi-Cal payments fall well below the cost of care and they don't have access to big commercial insurance company payouts that other hospitals receive.

Essential to Health Equity

California has no definition for the hospital safety-net. Defining safety-net hospitals is needed so that healthcare policies aimed at improving health inequities can be targeted. California's rural, remote and under-resourced communities rely on the safety-net. The State cannot afford to lose these important healthcare partners. To begin to reduce health inequities, more attention must be centered on the communities that need it most. Without a safety-net definition, the intent to help mission-focused hospitals and vulnerable patients, is often missed.

SB 1269 does the following:



Defines the California Hospital Safety-Net as federally eligible DSH hospitals, rural hospitals, and remote hospitals more than 35 miles from like hospitals.



The bill makes **NO CHANGES** to any current policies or funding programs in place today.

Safety-Net Hospitals

Safety-net hospitals lost \$864 million from operations in 2022 and continue to struggle. In bold contrast, hospitals that do not meet the federal DSH criteria reported a \$3.2 billion gain from operations. Without a definition, policymakers are left to develop their own parameters when creating policies meant to support children and families in vulnerable communities.



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