



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 **servicing 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.

Private Essential Access Community Hospitals (PEACH) is the statewide association **dedicated to advancing policies and programs that ensure sustainability for California's high-quality community safety-net hospitals.** We represent our hospital members and the communities they serve with state and federal advocacy, program innovation and policy development.

We Are Essential to Access



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



Government-funded programs cover eight out of ten patients treated in the community safety-net hospitals.



42% of patients served by community safety-net hospitals are Latinx and 11% are African-American – nearly two times the proportion of all African-Americans living in California.



During the COVID-19 pandemic, community safety-net hospitals made up 41% of the state's hospitals recognized by the U.S. Department of Health and Human Services as treating especially large numbers of patients suffering from the coronavirus.

We Are Essential to Health



65% of California patients from vulnerable communities are treated for behavioral health and substance use disorder issues by community safety-net hospitals.



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 to tertiary care.



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

The Way to End Health Inequity is to Allocate Equitable Resources to the Communities That Need Them

Every Californian deserves access to equitable health care. The communities that suffer from unequal access to health care and health status share a common obstacle toward achieving an equal chance at a healthy life: a lack of resources caused by underinvestment and systematic underfunding of health care, driven in large part by government policy.

Community safety-net hospitals leave no Californian behind. They create innovative solutions to serve individuals and families by adapting to their unique social and health care needs.

To improve health equity for all Californians, more resources must be delivered to the communities that have been left behind. Disadvantaged populations should not suffer because the level of health care investments made for them is only a fraction of the investment made for wealthier commercially covered populations.

Health equity in California requires a responsible investment in Medi-Cal.

Medi-Cal provides health coverage to Californians experiencing economic and social disadvantages. Low-income Californians who rely on Medi-Cal coverage are disproportionately people of color.

- Unequal access to health care and health resources due to race, socioeconomic status, and other social determinants of health is a significant factor in inequitable health outcomes and simply untenable in a just and healthy society.
- Because systemic Medi-Cal underfunding results in billions of dollars in payment shortfalls, the community safety-net providers who are dedicated to meeting the health needs of underserved individuals and families are left with fewer resources. They also face challenges in recruitment, retention, procurement, and timely availability of specialty care and services.
- The formula for reimbursing hospitals does not account for the social complexities that are inherent in many Medi-Cal individuals. What's more, the formula has not been adjusted since its inception in 2013. This lack of investment that has not kept pace with need has resulted in what used to be a gap is now a chasm, between needs and resources.

Substantive investment in Medi-Cal is needed to course-correct an alarmingly inequitable situation.

California needs to make the improvement and investments necessary to solve the inequities for Californians who rely on community safety-net hospitals.

- Continuing to cap reimbursement at a decade-old level directly contributes to the growing inequities for the most vulnerable Californians. Correcting this structural imbalance will mean better access and health outcomes for California's communities of color.
 - Resource changes should include:
 - Improvements in allocations to the Medi-Cal fee-for-service program that remain at 2013 funding levels.
 - Adjusting new payments to consider social complexities to help improve health access and equity.
 - Aligning all hospitals to the same payment policies for the Medi-Cal population.

PEACH is urging the Legislature to provide \$116 million in new Medi-Cal resources to California's community safety-net hospitals and provide an ongoing adjustment to improve equitable health care for all.

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