



County Administrative Office
Governmental & Legislative Affairs

Bradley A. Jensen
Director

March 14, 2022

The Honorable Luz Rivas
California State Assembly, 39th District
1021 O St., Room 6140
Sacramento, CA 95814

RE: AB 1894 (Rivas) – Designated Public Hospital Financing Advisory Group – As introduced February 9th, 2022 – Support

Dear Assemblymember Rivas,

On behalf of the San Bernardino County Board of Supervisors, I write in support of AB 1894, a bill that will strengthen the financial management of public health care systems and ensure continued access to high quality, value-based health care.

California's 21 Designated Public Hospital systems (DPHs) – which include county-operated or affiliated systems and the five University of California medical centers – have an essential role in the state's health care delivery system. They serve more than 3.7 million patients each year, regardless of ability to pay or insurance status and provide care for nearly 40 percent of the state's uninsured and 35 percent of Medi-Cal patients.

For more than a decade, public hospital systems have relied on supplemental payments through California's Section 1115 Medi-Cal demonstration waivers to narrow the gap between payments and the costs of providing care to a large Medi-Cal and uninsured population. Reduced waiver funding and the added cost of self-financing the nonfederal share of their payments has created a significant and growing deficit for DPHs that is becoming unsustainable. Without more funding, and a reduced local contribution towards the non-federal share of costs, DPHs could be forced to cut back their services.

AB 1894 would require the Department of Health Care Services to work with California's public health care systems to develop improved financing strategies that will strengthen their long-term financial standing, enabling them to maintain their important role in the public safety net. An advisory group will help department to advance long-term financing strategies to support these systems. A report would be shared with the State Legislature by July 1, 2023, outlining financial challenges of DPHs and make policy and financing recommendations to address the mounting financial losses.

For these compelling reasons, San Bernardino County strongly supports AB 1894.

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If you have any questions regarding the County's position, please contact Brad Jensen, Legislative Affairs Director, at (909) 387-4821 or Bradley.Jensen@cao.sbcounty.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Curt Hagman". The signature is fluid and cursive, with a long horizontal flourish at the end.

Curt Hagman
Fourth District Supervisor
Chairman, San Bernardino County Board of Supervisors

cc: San Bernardino County State Lawmakers