

Vulnerable Californians at Risk to Lose Critical Health Care Services

California's hospitals — where the state's most vulnerable receive life-changing and life-saving care — are in trouble.

\$12 billion

hospital losses after more than two years

41%

increase in pharmaceutical costs

19%

increase in medical supply costs

16%

increase in labor costs

0

state support for hospital recovery

Patients and communities are already hurting.

- In January, **Madera Community Hospital** was forced to close its doors, forcing those relying on the hospital for care to travel as far as Fresno, nearly 30 miles from the city of Madera.
- In December, **Hazel Hawkins Memorial Hospital** — the only hospital that serves residents in San Benito County — declared a fiscal emergency, warning of potential closure in February unless it receives significant funding.
- In August, **San Diego County** learned it would lose 28% of its geriatric psychiatric beds, used to care for people experiencing dementia or other mental illness, when Palomar Medical Center in Poway had to shutter 17 specialty beds.
- In October, **nearly 300 people in Visalia** lost their jobs when Kaweah Health Medical Center — the city's second-biggest employer — was forced to reduce staff to make ends meet.
- In the fall, **Modoc Medical Center** paused on development of home health, hospice care, and geriatric psychiatry programs.



By 2040, California's population is projected to increase by

3.5 million.

2.4 million

of those people are expected to be Latinx.

People of color are expected to increase by

3.3 million.

Two-thirds of low-income Californians who rely on Medi-Cal are people of color. Medi-Cal underfunding means enrollees are cared for by providers with fewer resources, essentially creating a health care caste system.

With services at risk of being reduced and outright closures looming, California's most vulnerable would see their access to care decline.



Since 2012, Medi-Cal rates have been frozen — creating a two-tiered system for health care in California that places a greater burden on working families.

\$46 billion

shortfall for Medi-Cal hospital services compared to expenses from 2010-2020.

WHAT'S NEEDED

The state has not increased certain Medi-Cal rates paid to hospitals for over a decade. California's health care system needs a \$1.5 billion lifeline in 2023, followed by structural rate increases to prevent future crises, to absorb the impact of the inflationary crisis and protect access for Californians with the greatest health needs.

