

March 8, 2024

The Honorable Richard Roth Senate Committee on Health 1021 O Street, Suite 3310 Sacramento, CA 95814

RE: Senate Bill 1269 (Padilla) – SUPPORT As Introduced February 15, 2024

Dear Senator Roth,

On behalf of the Rural County Representatives of California (RCRC), we support Senate Bill 1269 (Padilla), which defines "safety net hospital". This measure will help deliver health equity by allowing policymakers to support vulnerable health care patients and their providers. RCRC is an association of forty rural California counties and the RCRC Board of Directors is comprised of elected supervisors from each of those counties.

Rural hospitals, and those that serve large Medi-Cal populations, are struggling to meet the growing needs of vulnerable communities and the expanding Medi-Cal population. They face the challenge of lower reimbursement rates and, in 2022, safety net hospitals lost \$864 million from operations. Nearly two-thirds of safety net hospitals are operating at a loss.

These safety net providers are often the only available health care in our rural and under resourced communities. The communities also rely on these safety net providers as economic drivers. The state cannot afford to lose these providers, and creating a definition allows future policies to be developed to ensure their continued operation.

To achieve true health equity, more attention must be centered on the communities that need it. Unlike other categories of hospitals, California has no definition for the hospital safety net. Without a definition, it is challenging to direct the necessary attention and focus on these health care provider types and the vulnerable patients and communities they serve.

Defining "safety net hospital" is critical in addressing the unique needs of those hospitals to be considered when developing far-reaching health care policies. For these

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reasons, RCRC is pleased to support SB 1269. If you have any questions, please do not hesitate to contact me at (916) 447-4806 or sdukett@rcrcnet.org.

Sincerely,

SARAH DUKETT Policy Advocate

cc: The Honorable Steve Padilla, Member of the California State Senate Members of the Senate Health Committee Vincent Marchand, Consultant, Senate Health Committee Joe Parra, Consultant, Senate Republican Caucus