



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

September 15, 2023

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: Assembly Bill 242 (Wood) – REQUEST FOR SIGNATURE

Dear Governor Newsom:

On behalf of the Rural County Representatives of California (RCRC), we respectfully request your signature on Assembly Bill 242 (Wood). AB 242 would make permanent the pilot program which has allowed certified critical access hospitals (CAHs) to directly employ physicians. RCRC is an association of forty rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties.

California is facing a severe workforce shortage of both primary and specialty care providers. The ability to employ physicians allows CAHs to offer benefits and guaranteed salaries, making serving these areas more financially attractive. Of the more than 7,200 federally designated health professional shortage areas, three out of five are in rural regions. According to the National Rural Health Association, more than 25% of the U.S. population lives in rural areas, yet less than 10% of the country's physicians practice there. Rural communities are facing dire workforce shortages, which are putting additional pressure on the strained service delivery systems. AB 242 is essential to close provider gaps and ensure Californians continue to receive care in rural and remote communities.

If the pilot is allowed to sunset on January 1, 2024, hospitals throughout the state will no longer be able to employ doctors currently serving their facilities. This would be devastating to the patients that these hospitals serve and the doctors who enjoy employment at these facilities. Small hospitals are the backbone of health access in remote communities, and this exemption has successfully recruited physicians.

AB 2024 (Wood, 2016) proved that physician employment benefits the hospital, physicians, and the patients they serve. The data collected from the pilot will demonstrate that the program does not adversely impact patients and has had no bearing on clinical judgment.

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AB 242 is essential to preserving access to care in rural California. For these reasons, RCRC respectfully requests signature on AB 242 (Wood). 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 Jim Wood, Member of the California State Assembly