



CALIFORNIA ASSOCIATION OF PUBLIC HOSPITALS AND HEALTH SYSTEMS

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Cuts to Public Hospitals Pose Threat to Californians, Says State Association

*Increased demand due to economic downturn already causing added strain;
hope that cut may be rescinded but future still unclear*

Oakland, CA, February 19, 2009 -- California's public hospital association expressed great concern about funding cuts to public hospitals approved by the Legislature, and is hoping that a provision that would rescind the cuts if the state receives a set amount of funds from the federal economic stimulus package will come to fruition. But if not, public hospital funding for vital patient services will be reduced, and even its return may not provide the support needed to care for an increasing patient population, said the California Association of Public Hospitals and Health Systems (CAPH).

As part of the budget passed early this morning and expected to be signed shortly by Governor Schwarzenegger, funding specifically designated to the public hospitals to care for the uninsured was cut by 10 percent, or \$54 million. Twice before, the Governor had proposed cutting these funds, known as the Safety Net Care Pool, but on both occasions the Legislature rejected the cut. CAPH was hopeful that legislators would once again recognize the need to keep these funds in place, especially in light of the growing number of patients seeking health care at their public hospitals.

Just last week, CAPH released a report showing that in a survey comparing data from October 2008 to that of the same month a year before, the state's 19 public hospitals had seen a four percent increase in patients – a figure that translates to *100,000 additional patients*. Because of the subsequent increase in the unemployment rate – a more than one percent increase between October and December of 2008 – and anecdotal information from its members, CAPH estimates that that number has grown substantially since its survey time period and will continue to do so.

“As Californians lose their jobs and their health insurance, they are turning in record numbers to their local public hospital and its outpatient clinics for needed medical attention,” said Melissa Stafford Jones, president and CEO of CAPH. “We are seeing many more patients who are in need of immediate, life-saving care – for cancer, diabetes, hypertension. Given this increased need and the fact that public hospitals were already facing difficult financial circumstances, I can't imagine a worse time to be cutting funds to this critical health care safety net.”

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Despite the cut in the state budget, CAPH is hopeful that funds targeted for distribution to the state through the federal economic stimulus package will result in a rescission of the state cuts. It appears from the state budget provision that the state cut will not take effect as long as a set amount of support is provided through the federal package, which was signed into law by President Obama on February 17th.

“At this point, we don’t know for certain if this threshold will be met, so we really are in limbo right now,” said Stafford Jones. “But truly, what Californians need now is *more* support, not less, to assure that their medical needs are taken care of during this economic crisis. Our public hospitals are stepping in to do what they are meant to do – provide care when people are at their most vulnerable – but we need our elected officials to help us in this essential effort.”

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