



CALIFORNIA ASSOCIATION OF PUBLIC HOSPITALS AND HEALTH SYSTEMS

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Conclusion That “Trigger” Threshold Will Not Be Met Threatens Health of Californians, say California’s Public Hospitals

*Huge increase in new patients seen due to economic crisis while
California policymakers cut funds designed to care for the uninsured*

Oakland, CA, March 27, 2009 – The determination that the \$10 billion ‘trigger’ provision in the California state budget will not be met foreshadows even tougher times ahead for Californians already struggling to manage their health care needs, says the California Association of Public Hospitals and Health Systems (CAPH).

The conclusion by state officials that California will not reach the \$10 billion in federal stimulus funds required by the state budget to avoid funding cuts means that numerous health care budget cuts will not be restored. These cuts include \$54 million in federal funds provided to public hospitals specifically to care for the uninsured as part of the Safety Net Care Pool. The cut could not come at a worse time for the millions of patients being served by public hospitals, according to CAPH.

“Our members are seeing an unprecedented increase in new patients because of the severe economic crisis facing our state,” said Melissa Stafford Jones, president and CEO of CAPH. “As people lose their jobs, and their health insurance, they’re turning to their local public hospital for care – in many cases for life-saving treatment for health conditions such as cancer, kidney disease or hypertension,” Stafford Jones noted. “To cut funding at this time could turn our serious economic crisis into a deepening health crisis as well.”

CAPH issued a report recently showing that in October 2008 its members had already seen a four percent growth in patients over the same month the year before – a figure that translates into approximately 100,000 additional patients. CAPH believes that number has grown significantly since then.

“The unemployment rate has increased by more than two percentage points since our survey period, and national studies have indicated that for every one percent increase in the unemployment rate we’ll see one million more newly uninsured and one million additional people who will qualify for Medicaid or SCHIP,” said Stafford Jones. “But all you need to do is talk with health care providers at any of our outpatient clinics or emergency rooms. They’ll tell

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you that they're seeing more patients than ever before – including a great many who have lost their private health insurance and are now seeking care at a public hospital system, perhaps for the first time.”

“It’s unimaginable to us that California policymakers would cut funds to public hospitals – which together provide nearly half the hospital care to the uninsured – at a time when these institutions are caring for so many more patients,” said Stafford Jones. “This is a time when we would expect our state government to be coming to the aid of Californians who are finding themselves in such dire straits.”

More support needed to address growing patient population

Safety net hospitals are slated to receive temporary support through the federal economic stimulus package, but CAPH noted that those funds are meant to supplement, not supplant, funding provided to public hospitals. “Our public hospitals have stepped up to the plate, doing what they need to do to provide quality care to the thousands of additional patients showing up at their doors,” said Stafford Jones. “But our members must receive the financial support necessary to assure that they can serve everyone who needs care. The new federal funds should not serve as a signal to the state that they can cut resources that our public hospitals need to serve the growing number of uninsured,” she added. “The goal here is to obtain additional funds so that our public hospitals can maintain their services during these difficult times, not to net out.”

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CAPH represents 19 public hospital systems throughout California. These systems are located in 15 counties where more than 80% of the State’s population lives, and provide a wide array of inpatient and outpatient services to nearly 2.5 million Californians each year.