



FOR IMMEDIATE RELEASE

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Edie Ernst

916-402-7443

edithernst@peachinc.org

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California's Community Safety Net Hospitals Applaud Gov. Newsom's May Budget Proposals to Expand Affordable Health Coverage and Integrate Physical and Behavioral Health; Urge Governor and State Legislators to Revisit Support for Safety Net Hospitals on the Front Lines of the State's Growing Behavioral Health Crisis

SACRAMENTO – Private Essential Access Community Hospitals (PEACH), California's association of community safety net hospitals, applauds Gov. Gavin Newsom's May Revision budget proposals that would expand Medi-Cal coverage, make Covered California health coverage more affordable for low- and middle-income Californians, and integrate physical and behavioral health. PEACH urges the Governor and Legislature to make budget investments in California's hospital safety net through Proposition 55 or other funds, to ensure they can continue providing critical acute and emergent behavioral health care services to underserved populations statewide.

"We applaud Governor Newsom's budget proposals to help expand meaningful and affordable health coverage and integrate physical and behavioral health – especially for the vulnerable, low-income populations community safety net hospitals serve," said Catherine Douglas, PEACH President and CEO. "Given the state's \$21.5 billion budget surplus, we urge the Governor to invest in the state's hospital safety net to further address California's growing behavioral health crisis, which he has made an important priority."

According to the California Health Care Foundation's March 2018 analysis, the number of Medi-Cal beneficiaries receiving specialty mental health services increased by nearly 50 percent from 2012-2015 and emergency department visits resulting in inpatient psychiatric admissions increased by 30 percent between 2010-2015.

"California's community safety net hospitals are on the front lines of our state's behavioral health crisis, providing 66 percent of all Medi-Cal inpatient mental health care," said Douglas. "The behavioral health care needs of all Californians continue to rise, and low-income communities like those served by our hospitals are among the most at risk. California voters intended that, in strong budget years, Proposition 55 funding be allocated to Medi-Cal to better meet the health care needs of its low-income beneficiaries. We urge Governor Newsom and the Legislature to support our ability to care for our state's most vulnerable populations."

Voters passed Proposition 55 in 2016, extending tax increases on high-income Californians to increase funding for education and critical, emergency, acute, and preventative Medi-Cal services.

(more)

While education funding has increased under Proposition 55, additional Medi-Cal funding has not yet been appropriated in the current budget year or in Gov. Newsom's proposed budget.

PEACH estimates that \$700 million in one-time funds from Proposition 55 or other funds should be made available to further address California's behavioral health crisis by:

- Funding to bolster the state's physician workforce by increasing the number of primary care and psychiatrists trained. (These funds could be used to draw down federal matching dollars and significantly improve access to care.)
- Directing funding to hospitals to develop or improve care for mental health patients through crisis stabilization units or other solutions that direct these patients to more appropriate and lower cost settings.
- Supporting greater access to medical services in rural areas.
- Enhanced payments for providers that serve a disproportionate number of Medi-Cal and uninsured patients, which could include offsetting cuts at the federal level.

"PEACH urges Governor Newsom and the State Legislature to work together to ensure that critical Medi-Cal funding is allocated to help our state's safety net hospitals address California's behavioral health crisis." said Douglas.

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Private Essential Access Community Hospitals (PEACH) is the statewide association of private, community safety net hospitals in California. PEACH hospitals serve communities with some of the highest rates of poverty and unemployment in the state — with disproportionate numbers of low-income, low-income elderly, and uninsured patients. On average, California's community safety net hospitals serve a patient base that is 88 percent insured by Medicaid, Medicare or is uninsured. California's community safety net hospitals provide more care to Medi-Cal patients and seniors, as well as more emergency room services and Medi-Cal mental health inpatient care than any other California safety net hospital sector.