

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Dear Governor Newsom,

As your constituent, I am writing this letter to urge you to provide one-time allocations to help Kaweah Health recover its financial health, and to reform Medi-Cal reimbursement for lasting change.

Kaweah Health Hospital in Visalia, CA, serves residents of Tulare and Kings Counties in Central California, one of the largest rural areas of the state. Kaweah Health has faced extreme financial challenges as a result of the COVID-19 pandemic, brought on by the nursing crisis, inflation, low Medi-Cal reimbursement rates, and forced losses from State mandates.

The most critical need is to reform outdated Medi-Cal reimbursements. Medi-Cal reimbursement rates have not been increased in 10 years for inpatient cases, and 30 years for outpatient cases. With close to half of Kaweah Health's patients using Medi-Cal, better reimbursement rates would help sustain the hospital indefinitely. For the short term, it is also crucial to allocate one-time funding to carry the hospital through without further service closures and layoffs.

Kaweah Health is the largest of the 33 district hospitals still operating in California and has experienced dramatic challenges during the pandemic:

- Cumulative operating losses of \$133 million from pandemic start to Oct. 31, offset in part by federal Provider Relief Funds of \$61 million
- State mandates to cease all elective surgeries during COVID surges, forcing huge losses locally
- Soaring costs of contract labor due to the labor shortage caused by COVID-19 — \$80 million in traveling nurses and \$16 million in staff bonuses
- 52,274 COVID-19 outpatient cases — 11% of Tulare County population
- 5,591 COVID positive inpatients
- Increased average length of stay from 5.3 days before COVID-19 to 10.2 days from pandemic beginning to current

Governor Newsom, please act soon to provide one-time allocations to help Kaweah Health recover financially, and to reform Medi-Cal reimbursements for lasting change.

Sincerely,

(Name)

Zip Code)