



University of California Health
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November 19, 2024

CALIFORNIA CONGRESSIONAL DELEGATION

Dear Members of Congress:

University of California Health (UC Health) is California's public academic health system. Last year we provided care to patients from 91 percent of the zip codes in California and received nearly 24,000 transfer patients from other hospitals and health facilities around the state.

UC Health includes six academic health centers, 21 health professional schools and a Global Health Institute built around delivering high-quality care for patients, training the next generation of health professionals, and discovering new treatments and cures through research. Annually, our clinicians provide nearly 11 million outpatient visits and 1.23 million inpatient days. UC's academic health centers represent 6 percent of the state's hospital bed capacity and are the second largest provider of Medi-Cal inpatient care in the state. In fiscal year 2022-23, UC Health delivered \$5.3 billion in community benefits, including direct investment in services, workforce development, research, and uncompensated Medicaid and Medicare reimbursements. UC Health is foundational to California's health, but we cannot do it alone. Our partnership with the federal government is critical to all these efforts.

Prior to the end of the calendar year, Congress has an opportunity to address significant unfinished health care priorities that—taken together—constitute a fiscal cliff that could imperil care for elderly and low-income patients in California and across the country. We ask that you act quickly to pass an end-of-year health extenders package that addresses the many looming cuts to programs that support our patients and providers:

- **Restore Medicaid Disproportionate Share Hospital (DSH) payments** – Under current law, Medicaid DSH faces a 60 percent cut this year, eliminating more than \$8 billion per year in support to safety net hospitals nationwide that see the most Medicaid and uninsured patients. The cut would cost UC Health \$176 million per year—significantly widening the gap of \$1.3 billion we currently lose providing care for Medicaid patients. We urge Congress to eliminate at least two years of Medicaid DSH cuts to give us the certainty we need to care for these vulnerable populations.

- **Continue Medicare telehealth and Acute Care Hospital at Home waivers** – Two years ago, Congress extended the pandemic-era waivers to continue to allow additional flexibility for patients in how they receive care. These waivers expire this year and must be extended to ensure continued treatment and care flexibility for patients and providers.
- **Address impending cuts to Medicare** – Physicians face a 2.8 percent cut to Medicare reimbursement on Jan. 1 if Congress does not act to prevent it – the fifth consecutive year of negative updates for many physicians. There is also the potential for an additional 4 percent cut to Medicare if Congress does not address the significant balance on the PAYGO scorecard from pandemic-era deficit spending that the last Congress left unaddressed. Please cosponsor H.R. 10073, the Medicare Patient Access and Practice Stabilization Act, and ask leadership to address both Medicare reimbursement cuts in the end-of-year health extenders package.
- **Avoid Medicare cuts to hospital outpatient departments (HOPDs)** – Proposals to cut reimbursement for HOPDs miss the critical role that these facilities play in providing access to care for complex patients outside the walls of our hospitals. Please oppose these cuts.

Each of these issues taken individually has the potential to harm access for our patients, and collectively, they threaten serious damage to the health care system as a whole.

In addition to addressing this looming crisis, Congress must protect the 340B drug pricing program – a critical tool for safety net healthcare providers to stretch scarce federal resources. Congress should also take steps to improve care delivery. UC Health has endorsed the following bipartisan bills, and asks you to consider supporting their inclusion in a year-end health policy package:


- **H.R.9351, the Save Our Safety Net Hospitals Act** – This bill fixes a problem introduced into law in 2021 that is preventing hospitals from claiming losses associated with some of their most vulnerable patients—the Medicare-Medicaid dual eligibles. Passing this bill will protect the finances of safety net health systems like UC Health that serve the most dual eligible patients. Please cosponsor H.R. 9351 and ask leadership to include it in a final legislative package.
- **H.R. 2389, the Resident Physician Shortage Reduction Act** – Since 1997 federal law has capped the number of Medicare Graduate Medical Education (GME) slots available for hospitals—preventing significant growth in our physician workforce, even as shortages have grown. Congress has made limited progress in recent years—approving the first 1,200 new Medicare GME slots since 1997 and projections indicate that nearly 14,000 additional slots are needed to meet our nation’s increasing health care needs. Please support the inclusion of Medicare GME slots in a final year-end deal.

Additionally, UC Health urges you to provide robust funding in the appropriations process for the National Institutes of Health and the Health Resources and Services Administration’s Title VII physician training program and Title VIII nurse training program so that our faculty can continue to both educate the next generation health care workforce and conduct research for new cures and treatments.

Thank you for your continued support of UC Health. If you have questions, please do not hesitate to contact UC Director of Health and Clinical Affairs Kent Springfield at (202) 341-1714 or kent.springfield@ucdc.edu.

Sincerely,

DocuSigned by:


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David Rubin, MD, MSCE

Executive Vice President for University of California Health

cc: UC President Michael V. Drake, MD
UC Health CEOs and Vice Chancellors for Health Affairs
UC Senior Vice President for External Relations & Communications Meredith Turner
UC Associate Vice President for Federal Governmental Relations Chris Harrington