

# ATTACHMENT

For Item

15

TUESDAY  
July 16, 2024

PUBLIC COMMUNICATION RECEIVED BY THE  
CLERK OF THE BOARD

Distributed 7/12/2024.



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July 16, 2024

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**SUBJECT: Item #15: INCREASING MEDI-CAL REIMBURSEMENT RATES TO IMPROVE HEALTHCARE FOR NEARLY 1 MILLION SAN DIEGANS**

Honorable San Diego County Board of Supervisors:

Following on the important first steps the Board took in March, Scripps Health (Scripps) is pleased to continue to support your efforts to increase Medi-Cal reimbursement rates and thereby improve access to equitable health care for California's Medicaid (Medi-Cal) beneficiaries in San Diego.

We look forward to hearing today's progress report and reaffirmation of the County's ongoing commitment to finding solutions to the challenges we face due to inadequate reimbursement, under the leadership of Vice Chair Lawson-Remer and Supervisor Montgomery Steppe.

Medi-Cal provides health coverage to low-income Californians — one-third of the entire state and nearly half of all children. Scripps has long supported Medi-Cal expansion work to ensure all Californian's have access to health care services. At the same time, California needs to not only expand the program, but also invest in it. California ranks near the bottom in the United States when it comes to Medicaid reimbursement rates for hospitals and other providers despite our high cost of living and nationally competitive wages for health care workers.

Medi-Cal beneficiaries and those that care for them are often shortchanged. Systemic underfunding means that those who care for Medi-Cal patients in California are reimbursed far

less than what they spend providing care, resulting in fewer resources for California's most vulnerable communities – and therefore San Diego's most vulnerable.

While the state recognizes this issue and is beginning to take steps to improve Medi-Cal reimbursement in certain areas, Medi-Cal inpatient fee-for-service (FFS) reimbursement has been fixed at 2012-13 levels, while expenses for patient care, which include health care worker salaries and benefits, supplies, pharmaceuticals, utilities, and more have increased exponentially during that same period.

The substantial underfunding of the Medi-Cal program for patients and communities served by California's critical safety net providers disproportionately affects people who are often at the highest risk of poor health. Current formulas for reimbursing hospitals do not account for sicker, more disadvantaged communities and has not been increased since its inception a decade ago — all while the needs of communities with socioeconomic challenges have continued to grow.

As a nonprofit integrated, health care delivery system, Scripps has been serving San Diego for 100 years through the dedication of our employees, affiliated physicians, five acute-care hospital campuses and other services throughout the region.

Every day in our hospitals we see members of our community with complex cases that need non-emergency services but are unable to access the health care delivery system and find themselves ending up in the emergency room. We care for these patients in the most expensive setting and without the financial resources to make us whole.

We have long seen the impacts of low Medi-Cal reimbursement rates in our community. Providers like us are having to make tough choices every day to make sure we can continue to serve the community and carry out our mission.

Scripps Health appreciates the County's continued engagement on Medi-Cal reimbursement shortfalls.

Sincerely,



Amber Ter-Vrugt

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