



A driving force for health equity

Submitted Via Electronic Mail

May 4, 2023

The Honorable Chris Holden, Chair
Assembly Committee on Appropriations
1021 O Street, Suite 8220
Sacramento, California 95814

Re: Support for AB 412, Distressed Hospital Loan Program

Dear Chair Holden,

On behalf of OCHIN, I am pleased to offer support for AB 412, which would create the Distressed Hospital Loan Program to provide loans to not-for-profit hospitals and public hospitals facing significant financial hardship. OCHIN is a national health information technology and research network that offers technology solutions, informatics, evidence-based research, and policy insight and **our California members serve 1.6 million patients, more than 500,000 of whom are Medi-Cal enrollees**. This program is essential to the survival of critical access hospitals (CAH), as well as the patients and communities they serve. CAHs service some of the most disadvantaged populations, and these areas are at risk of losing access to critical health care services.

For two decades, OCHIN has advanced equitable health care solutions by leveraging the strength of our network's unique data set and the practical experience of our members to drive technology innovation at scale for patients and providers in underserved communities. OCHIN members include federally qualified health centers (FQHCs) and other community clinics, including in rural areas, local public health agencies, corrections, school-based mental health programs, youth authorities and rural hospitals.

In rural communities, patients face health barriers including geographic isolation, limited job opportunities, higher rates of health risk, and limited access to clinical specialists. CAHs and other small, rural hospitals are the essential access point for patients in rural communities, and the closure of CAHs can result in delayed care, higher acuity of conditions, and chronic conditions that could have been addressed through preventive medicine if the patient had more readily available access to care. All too often rural hospitals are the sole local source for patient care in their communities and are more likely to offer additional services that otherwise would not be accessible to residents in the surrounding area. It is essential that patients in rural communities do not face increased barriers to accessing care due to the closure of critical access hospital.

CAHs are vital for thousands of patients, and we commend their inclusion in this bill. As you consider the types of support needed to drive sustainability for rural hospitals, OCHIN urges that modern health IT systems to advance the goals of CalAIM and improved public health be included as capital infrastructure in the funding opportunities section.

OCHIN welcomes the opportunity to work together to address the structural barriers to quality healthcare faced by patients in rural areas and the challenges faced by their community-based providers.

Please contact me at stollj@ochin.org if we can provide additional information to help drive sustainability for California's rural hospitals.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Stoll". The signature is written in a cursive, flowing style.

Jennifer Stoll
Executive Vice President
External Affairs

CC: The Honorable Esmeralda Soria, Assembly Committee on Appropriations