



February 26, 2024

The Honorable Scott D. Weiner  
 Chair of the Senate Committee on Budget  
 and Fiscal Review  
 1201 O Street, Suite 8620  
 Sacramento, CA 95814

The Honorable Jesse Gabriel  
 Chair of the Assembly Committee on Budget  
 1201 O Street, Suite 8230  
 Sacramento, CA 95814

The Honorable Caroline Menjivar  
 Chair, Senate Subcommittee on Budget and  
 Fiscal Review, Health and Human Services  
 1201 O Street, Suite 502  
 Sacramento, CA 95814

The Honorable Akilah Weber, M.D.  
 Chair of the Assembly Subcommittee on  
 Budget, Health  
 1201 O Street, Suite 8230  
 Sacramento, CA 95814

Re: California Department of Health Care Services - 2025 Targeted Rate Increases

Dear Budget Committee Chairs:

On behalf of a broad coalition of health care providers, workers, and health plans in California, we would like to thank the Administration for their commitment to funding the investments in Medi-Cal as part of last year's 2023-24 budget negotiation. We understand the importance of continuing to invest in the Medi-Cal program, especially for the populations that have been newly enrolled. As you know, Medi-Cal is the nation's largest Medicaid program and provides health coverage to approximately one-third of our state's population. Our coalition is a broad and diverse group of providers, employees, caregivers, community health centers, and health plans that collectively support the needs of these patients and we are committed to continuing to advance our shared goal of universal, equitable and quality access to care.

First, and most importantly, we want to reiterate our appreciation and support for the inclusion of more than \$2.6 billion in state managed care organization funds to augment Medi-Cal rates across a series of important program areas. These investments are critical to helping rebuild and promote access for Medi-Cal patients in the areas of primary care, specialty care, outpatient procedures, family planning and abortion services, emergency department access, ground emergency, and behavioral health. There are also investments in many different types of health care providers, specifically in graduate medical education and building educational and clinical skills across the Medi-Cal workforce through entities with labor management committees.

We strongly support the funding consistent with the 2023-24 budget and will continue to work directly with the Department of Health Care Services to ensure that the implementation of the funding meets our shared goal of increasing access and quality in the Medi-Cal program.

We know that all parties want to see these critical resources used in a way that makes a meaningful difference in the lives of millions of Californians. We are committed to working with both the Administration and the Legislature to channel these funds in a way that is efficient, responsible, and effective. Thank you for your continued support in our efforts to make California's health system one that is equitable.

Sincerely,

AltaMed  
California Association of Health Plans  
California Hospital Association  
California Medical Association  
California Primary Care Association  
Community Health Center Network  
Family Health Centers of San Diego  
Global Medical Response  
L.A. Care Health Plan  
Local Health Plans of California  
Planned Parenthood Affiliates of California  
Service Employees International Union

cc: Scott Ogus, Deputy Staff Director, California Senate Committee on Budget and Fiscal Review, Health and Human Services  
Andrea Margolis, Budget Consultant, California Assembly Committee on Budget, Health  
Marjorie Swartz, Principal Consultant, Office of Senate President Pro Tempore Mike Maguire  
Rosielyn Pulmano, Policy Consultant, Office of Assembly Speaker Robert Rivas