



OFFICE OF THE PRESIDENT

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Steve Juarez, Associate Vice President and Director

October 2, 2009

The Honorable Arnold Schwarzenegger
Governor of the State of California
State Capitol
Sacramento, CA 95814

Re: AB 1383 (Jones) – Request for Signature

Dear Governor Schwarzenegger:

On behalf of the University of California (UC), I am writing to advise you of our support for a signature on AB 1383 (Jones). UC is a leader in health education, research and healthcare delivery, with academic medical centers (AMCs) at the Davis, Los Angeles, Irvine, San Diego, and San Francisco campuses and is the fourth-largest healthcare delivery system in California. UC provides much of the complex care in California, which can often only be provided in an academic medical center, and provides high-quality care to many publicly insured patients and a significant component of the state's uninsured population.

AB 1383 puts forward a proposal developed by California hospitals that would assess a fee on hospitals to raise more than \$2 billion annually to be used to obtain federal matching funds through December 2010. The funds would generate supplemental payments to hospitals to ensure access to care for the state's Medi-Cal and uninsured population. In addition, the hospital fee would provide the state with \$320 million annually for children's coverage, which could be used to draw down additional federal matching funds. This generous commitment would ensure that hundreds of thousands of children have health care coverage.

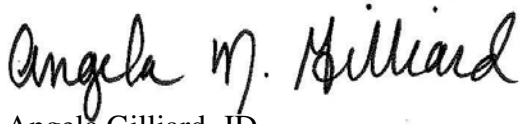
AB 1383 would result in supplemental payments to hospitals, with federal funding up to the maximum allowed under federal law. The payment methodologies have been structured so supplemental payments are established for inpatient care, acute psychiatric, outpatient services, high-acuity care and trauma services. In addition, supplemental payments have been created for managed Medi-Cal services provided by hospitals.

The Honorable Arnold Schwarzenegger
October 2, 2009
Page 2

Increasing Medi-Cal rates to hospitals would help ensure access to care for Medi-Cal beneficiaries. UC urges you to sign AB 1383 to stabilize the hospital safety-net and ensure Medi-Cal beneficiaries have access to the medically necessary care they need.

Should you have any questions, please do not hesitate to get in touch with me or Associate Vice President of Clinical Services Santiago Muñoz, who can be reached at (510) 987-9062.

Respectfully,

A handwritten signature in black ink that reads "Angela M. Gilliard". The signature is written in a cursive style with a large initial "A".

Angela Gilliard, JD
Legislative Director
State Governmental Relations

cc: Assembly Member Dave Jones
President Mark J. Yudof
Interim Provost Lawrence Pitts
Interim Executive Vice President Nathan Brostrom
Senior Vice President Daniel Dooley
Associate Vice President Steve Juarez