



OFFICE OF THE PRESIDENT

NELSON PEACOCK

Senior Vice President – Government Relations

Office of State Governmental Relations

1130 K Street, Suite 340

Sacramento, California 95814

(916) 445-9924

Steve Juarez, Associate Vice President and Director

May 5, 2015

Senator Ricardo Lara,  
Chairman, Senate Appropriations Committee  
State Capitol, Room 2206  
Sacramento, CA 95814

**RE: SB 586 (Hernandez), as amended April 28, 2015**  
***Scheduled for Hearing in the Senate Appropriations Committee on May 11, 2015***  
***Position: Support***

Dear Senator Lara,

The University of California (UC) is very pleased to support SB 586 (Hernandez), which proposes to establish the “Kids Integrated Delivery System (KIDS)” by authorizing the Department of Health Care Services (DHCS) to contract with a California Children’s Services (CCS) tertiary hospital network to coordinate and manage the provision of Medi-Cal and CCS services for eligible children.

The CCS Program is the only remaining Fee-for-Service health program left in the State of California because in 1993 the legislature recognized the need to protect the program from the shift to Medi-Cal managed care until an alternative delivery structure could be developed. The CCS carve-out is scheduled to expire at the end of 2015. This bill proposes an alternative that would authorize DHCS to contract with the regional system of care comprised of CCS hospitals, doctors, and special care centers benefiting not only those children who receive services through CCS. The provision of services would be available on a county or regional basis, consistent with managed care principles, techniques, and practices, to ensure access to cost-effective, quality care for enrolled children.

SB 586 retains CCS standards to ensure pediatric expertise, preserves access to high quality providers, and ensures that families are involved in decisions around the medical care provided to their children. Hospitals that provide tertiary care such as the UC and Children’s Hospitals are the providers that form the regional backbone for all pediatric specialty care in California – both privately insured children and those receiving government-subsidized care.

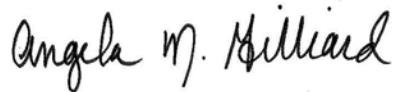
UC owns and operates five academic medical centers located at the Davis, Irvine, Los Angeles, San Diego, and San Francisco. Within these the UC medical centers are top ranked pediatric

hospitals providing tertiary and quaternary services to children. Patients who require tertiary and quaternary care are often admitted to Critical Care for extra support and specialized care. UC Children's hospitals are ranked among the top pediatric hospitals in the US and are recognized for a variety of specialty services provided.

SB 586 is a thoughtful, provider-driven, patient-centered approach that gives CCS providers the ability to create a delivery system tailored to the needs of children with complex medical needs. CCS patients are fragile and vulnerable – they should be cared for by pediatric providers who work together for the good of the patient and family.

As always, we appreciate your consideration of our views. Please do not hesitate to contact me at (916) 445-9924 if I can provide additional information.

Sincerely,

A handwritten signature in black ink that reads "Angela M. Gilliard". The signature is written in a cursive, flowing style.

Angela M. Gilliard, JD  
Legislative Director

cc: Senator Hernandez  
Vice Chair and Members of the Senate Appropriations Committee  
President Janet Napolitano  
Provost and Executive Vice President Aimée Dorr  
Executive Vice President & CFO Nathan Brostrom  
Executive Vice President John D. Stobo, MD  
Senior Vice President Nelson Peacock  
Associate Vice President and Director Steve Juarez