



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

July 7, 2015

The Honorable Ed Hernandez, O.D.
Chair, Senate Committee on Health
State Capitol, Room 2191
Sacramento, CA 95814

RE: AB 72 (Bonta), as introduced
Set for hearing in the Senate Health Committee on July 15, 2015
Position: SUPPORT

Dear Senator Hernandez,

The University of California (UC) is very pleased to support AB 72, which requires the Department of Health Care Services (DHCS) to submit an application to the federal Centers for Medicare and Medicaid Services (CMS) for a renewal of the “Bridge to Reform” Medicaid Waiver (Waiver) for an additional five-year term. The current waiver will expire on October 30, 2015.

The current “Bridge to Reform” waiver has been critical to the state’s early success with expanding coverage under the Affordable Care Act. The UC has five academic medical centers, including 11 hospitals located at the Davis, Irvine, Los Angeles, San Diego, and San Francisco campuses. UC medical centers are designated public hospitals that serve as a vital part of the state’s safety providing access to high quality health care for vulnerable populations. UC medical centers generate more than 159,136 inpatient discharges, 334,065 emergency room visits and more than 4.2 million outpatient visits each year. UC Health’s dedication in caring for our nation’s most vulnerable patient populations is crucial to the success of our mission.

The “Bridge to Reform” waiver also enabled UC Health and other public healthcare systems to help lead the nation in delivery system transformation, through the country’s first of its kind pay-for-performance incentive program, the Delivery System Reform Incentive Payment (DSRIP) program. The DSRIP launched UC Health on an ambitious journey to transform our systems to be more integrated, cost effective and patient-centered. UC Health’s five academic medical centers are active and enthusiastic participants in California’s DSRIP efforts.

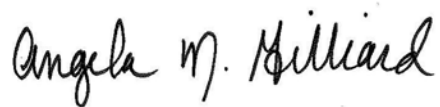
UC participated in the DHCS/state’s stakeholder process by participating in the many workgroup meetings to discuss the various parts of the state’s application to CMS for the Waiver renewal. We anticipate that negotiations between DHCS and CMS are likely to continue throughout the

summer and into the fall. UC has expressed formal support to CMS for the DHCS Waiver application and is supportive of this legislation as it moves forward parallel to the State and federal negotiations.

As you know, more than 12 million low-income Californians rely on Medi-Cal for their health coverage and nearly 60% of UC patients are either publicly insured or uninsured. This Waiver would ensure California's momentum and successes in innovation achieved under current waiver; the 2010 "Bridge to Reform" Waiver.

Thank you for your consideration of our views. Please feel free to contact me at (916) 445-9924, if I can provide further 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: Assembly Member Bonta
Vice Chair and Members, Senate Health Committee
President Janet Napolitano
Provost & 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