

MENDOCINO COAST HEALTH CARE DISTRICT
775 RIVER DRIVE, FORT BRAGG 95437

MEMORANDUM

TO: MCHCD Board of Directors

FROM: Paul Garza, Jr.

DATE: May 22, 2025

SUBJECT: Monthly Report

Medicaid Funding

There is only troubling news about healthcare funding. Recently the House advanced a proposed federal budget which includes substantial cuts to Medicaid. Though the budget is scheduled to be reviewed by additional House Committees before advancing to the floor, it creates an uneasy environment for rural hospitals throughout the US. Nearly every health care advocacy and/or hospital association along with hospital systems and healthcare provider associations are strongly recommending that Medicaid not be cut. It is projected that over 1,000 hospitals, most in rural areas, will be forced to close. Even without these cuts, rural hospitals are already seriously stressed. Beckers, the healthcare industry's leading news summary, is routinely reporting on current hospital closures occurring in the US.

If this is not difficult enough, the American Association of Retired Persons (AARP) is reporting that a substantial percentage of seniors rely on Medicaid as their 'supplemental' and/or 'secondary' medical insurance. While there is no discussion of cuts to Medicare, cuts to Medicaid will affect most low-income seniors in our community.

Additionally, Gov. Newsom in his 'May revise' budget proposal includes significant cuts to healthcare overall, including Medi-Cal, the State's funding for Medicaid services to low-income and disabled individuals. Medi-Cal serves 15 million Californians. According to article appearing in Beckers and authored by reporter Alan Condon,

The most contentious proposals include eliminating free healthcare for low-income undocumented immigrants, imposing \$100 monthly Medi-Cal premiums for select populations starting in 2027, and restricting overtime for in-home supportive service workers. Additionally, the state plans to cut payments to federally qualified health centers, reinstate asset limits for seniors and disabled adults, and reduce Proposition 56 (*my note: sometimes referred to as the 'tobacco tax'*) supplemental payments to dental and women's health providers.

Our community's federally qualified health center is the Mendocino Coast Clinic. Newsom's proposed impacts go well beyond our community hospital.

It is clearly a disturbing time. Again, I urge our residents to make their views known to our public officials, both Federal and State. We continue to post news and non-partisan analysis of these developments on our MCHDC website. Anyone interested may subscribe to Beckers.

Retrofit/Modernization vs. New Facility

This is the biggest decision Board Members will consider this year – by far! Director Savage has informed me that the Board in 2023 agreed to work toward all retrofit decisions as a 'committee-of-the-whole'. I believe this is an excellent way forward. While I feel that California's Open Meeting Act is very good policy, it can make communication among Board Members difficult. Clearly there has been some concern from Members about receiving the fullest information. Going forward, all discussions will be shared with all Board Members at the same time in special meetings. It does mean more work for us but we have scheduled two meetings in June - on the 5th and the 19th – to work jointly on the retrofit/modernization proposal. Come July we intend to do much the same to consider a model for a new facility. We are aiming to make our decision by the end of July. The public, of course, is not only invited but strongly encouraged to participate in these upcoming special meetings.

Healthcare Access and Information (HCAI) Reimbursement

We have been informed that the pre-development costs our District has incurred in developing a plan to meet the State's seismic requirements are eligible now to be partially reimbursed. Agency Administrator Wylie attempted to get these costs (approximately \$400K since 2022) reimbursed last year but we lacked adequate institutional financial documentation. Ms. Wylie's report will have more detail.

Community Outreach

I presented district information on April 27 to the Soroptimists and am scheduled on June 12 to present to the Fort Bragg Rotary Club.

We are looking for opportunities to communicate to more community groups. If you know if a group that is meeting and would be interested in learning about our work with the hospital, please let us know. You can either call, text or email Kathy Wylie or myself.

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