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

MEMORANDUM

TO: MCHCD Board of Directors

FROM: Paul Garza, Jr.

DATE: April 24, 2025

SUBJECT: Monthly Report

Medicaid Funding

We remain very concerned about potential cuts to Medicaid particularly but also Medicare. It is estimated that over a thousand rural hospitals in the US will close if the proposed Medicaid cuts are enacted. It is hard to imagine our hospital continuing to provide a high level of service, much less remain open if the proposed cuts actualize. Additionally, there is some discussion about a 'work requirement' to receive Medicaid benefits. A recent report suggests the work requirement would eliminate as many 1.2M California residents. We have no estimate on the impact in our community but I assume it would be substantial. Remember that Medicaid is specifically to assist low-income and disabled individuals.

Voluntary Rate Range Program (VRRP) – Inter Government Transfers (IGT)

The VRRP/IGT program is a mechanism for California to maximize federal Medicaid funding by using intergovernmental transfers from eligible public entities to draw down additional federal matching funds, ultimately supporting the provision of healthcare services to Medi-Cal beneficiaries. Prior to affiliation, our District participated in this program. We contracted with Health Management Associates to explore if we were still eligible with the potential of receiving an additional $1M annually.

Health Management Associates is reporting to us that it is not likely our District could participate in this additional funding stream again. Such participation would almost certainly interfere with funding currently being received by Adventist Health from Medi-Cal for the operation of our hospital. It appears, therefore, our participation would be a 'zero sum' option – that is we might receive funding but it would take away funding from Adventist Health. From the point of view of both common sense and our contractual agreement, interference with Adventist Health payments and/or reimbursements is inappropriate.

Standing Committees

I am pleased to report that two of our standing committees are now functioning very well and getting significant work done. A Finance Committee is scheduled soon and that will mean all of

our committees are functional and providing guidance to the Board of Directors. It is very important that we have broader sources of input from our community.

Community Outreach

I am presenting next Monday to the Soroptimists and on May 12 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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