



June 1, 2017

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The Honorable Holly Mitchell  
Chair, Budget Conference Committee  
State Capitol, Room 5080  
Sacramento, CA 95814

**Re: May Revision, Section 4260 – DHCS GME Payment Program Trailer Bill:  
SUPPORT SENATE VERSION**

Dear Senator Mitchell,

On behalf of the California State Association of Counties (CSAC), I am writing in support of the Senate's version of the Budget Trailer bill related to Graduate Medical Education (GME).

Our affiliate, the California Association of Public Hospitals and Health Systems (CAPH), has worked with the state to resurrect a sorely-needed GME program within existing funding sources to help train the next generation of medical professionals. California has the second-largest number of teaching hospitals and residents in the country, and is one of only eight states without a Medicaid-funded GME program.

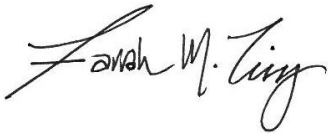
The Senate's version of the GME trailer bill language will allow public hospitals to match existing Medicaid funding to strengthen our medical workforce – with no cost to the state's General Fund.

While CSAC is in strong support of the GME proposal, we must regretfully also register our alarm regarding a unrelated amendment included in the Assembly's version of the proposal.

This last-minute language – which is wholly unrelated to the creation and goals of a GME program – would require all public health care systems to contract with all Medi-Cal Managed Care plans in order to receive GME funding. Public hospitals are already core safety net providers serving more low-income Californians than any other system, with roughly 70 percent of patients either eligible for Medi-Cal or uninsured. Further, this amendment mandating that public systems contract with all plans will negatively impact the ability of public health care systems to negotiate reasonable rates and contracts, and will be extremely complicated in some areas with three or more managed care plans. Lastly, this amendment is not needed, as public hospitals are already required to contact with at least one Medi-Cal plan in their county under the current federal Section 1115 Medicaid waiver.

For these reasons, California's 58 counties join CAPH and county organizations in opposition to the Assembly's version of the GME proposal and respectfully urge your committee to affirm the Senate's GME proposal. Should you have any questions about our position and concerns with the Assembly version, please do not hesitate to contact me at [fmcting@counties.org](mailto:fmcting@counties.org) or (916) 650-8110. Thank you.

Sincerely,



Farrah McDaid Ting  
Legislative Representative

cc: The Honorable Philip Ting, Vice-Chair, Budget Conference Committee  
Honorable Members, Budget Conference Committee  
Craig Cornett, Chief Fiscal Advisor, Office of Pro tem Kevin de León  
Chris Woods, Consultant, Office of Assembly Speaker Rendon  
Scott Ogus, Consultant, Senate Budget and Fiscal Review Committee  
Andrea Margolis, Consultant, Assembly Budget Committee  
Amy Costa, Deputy Director, Department of Finance  
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Cyndi Hillery, Assembly Republican Caucus  
Mary Bellamy, Assembly Republican Caucus  
Erica Murray, President and CEO, California Association of Public Hospitals and  
Health Systems