



California's Health Care Safety Net

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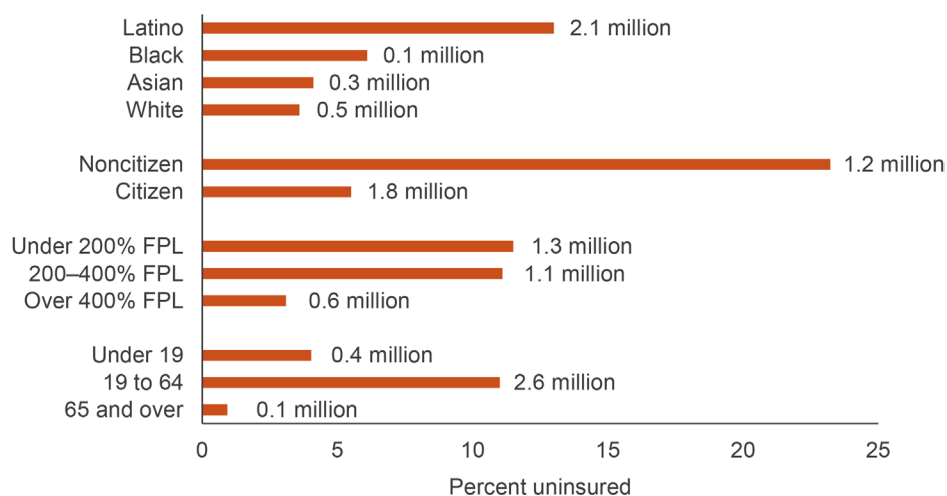
Millions of Californians rely on the health care safety net.

- ▶ The health care safety net is a patchwork of programs and providers that deliver coverage and care to people with low incomes, no private insurance, and/or special medical needs.
- ▶ [Medi-Cal—California's Medicaid program](#)—is the cornerstone of the state's health care safety net. This state-federal program provided health coverage for 15.5 million low-income Californians in March 2023 and serves as the primary funding source for safety net providers. Other funding sources include counties, patient fees, and other limited public programs.
- ▶ Additional state and county programs offer limited access to health care for people not eligible for public insurance programs and those with specific health conditions.
- ▶ Core safety net providers—including county hospitals, health clinics, and emergency departments (EDs)—are located throughout the state and treat patients regardless of their ability to pay or their immigration status.

California's health care safety net has expanded dramatically—but millions remain uninsured.

- ▶ California's uninsured rate has declined dramatically over the past decade, as Medi-Cal coverage expanded under the Affordable Care Act (ACA). During the pandemic, Medi-Cal enrollment increased by about 2.9 million, largely due to a federal requirement that paused annual eligibility reviews. The redetermination process resumed in April 2023, and [national projections](#) suggest more than 400,000 people could lose Medi-Cal coverage and become uninsured.
- ▶ About 3 million Californians reported being uninsured in spring 2022. Nearly seven in ten (68%) are Latino, about 38% are noncitizens, and 80% have low or moderate incomes (below 400% of the federal poverty line).

Latino, noncitizen, and low- and moderate-income Californians have higher uninsured rates



Source: Current Population Survey, Annual Social and Economic Supplement, 2022.

Notes: Survey data was collected February to April of 2022. The health insurance question reflects whether the respondent reported any health coverage at the time of the survey.

Health care safety net providers saw an uptick in visits in 2021, but financial challenges loom.

- ▶ After declining in 2020, visits to California's safety net providers rebounded in 2021: primary care clinics reported a 7% increase, emergency departments a 9% increase, and county hospitals a 6% increase.
- ▶ Health care safety net providers received billions in federally funded pandemic relief over the past three years. Still, some providers face financial challenges. For example, a large clinic system in the San Diego

region and Inland Empire recently filed for bankruptcy and closed or reduced hours at several locations, contributing to declines of more than 10% in clinic visits between 2019 and 2021.

- ▶ Hospital closures are also a major concern. Madera Community Hospital, which served a high share of uninsured and Medi-Cal patients, closed at the end of 2022; [according to a recent analysis, 17 other rural hospitals in California are at risk of closure](#).

County hospitals are essential safety net providers.

- ▶ Twelve large counties—home to about 60% of California’s population—operate county hospital systems. In addition to providing care, these hospitals help train physicians and operate high-level trauma centers.
- ▶ All county hospitals—and other hospitals that serve high shares of uninsured and Medi-Cal patients—receive supplemental funding to help cover costs because Medi-Cal pays hospitals less than Medicare and private insurance. County hospital systems also typically receive funding from county sources.
- ▶ In 2021, Medi-Cal patients accounted for nearly 60% of hospitalizations at county hospitals and nearly half (47%) at other hospitals that receive supplemental funding—compared to about one-third at all other hospitals.

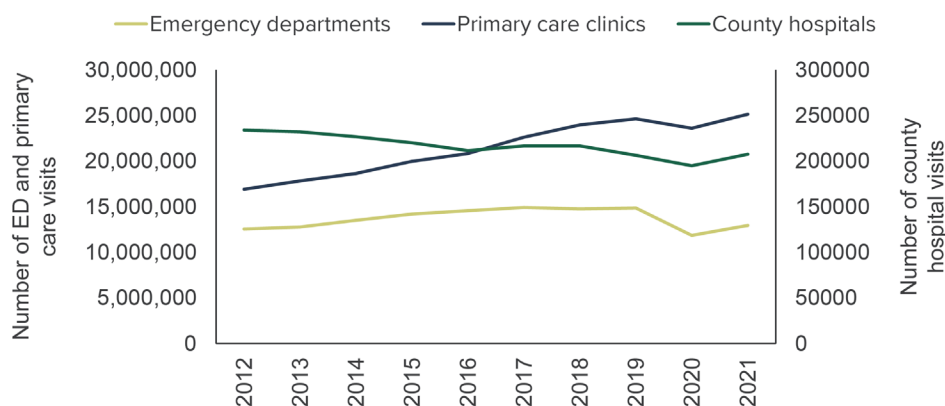
Primary care clinics also play a critical role.

- ▶ About 1,200 state-licensed health clinics reported 25 million primary care visits in 2021, an increase of about 2.3 million visits from the previous year.
- ▶ The majority of clinic patients are Latino, about 30% are children, and more than 10% are seasonal farmworkers. Only 10% are covered by private insurance.
- ▶ Primary care clinics rely heavily on Medi-Cal—about 70% of their net revenue comes from the program. Health clinics are typically paid per visit, so the decline in visits during the pandemic had a negative financial impact.

Emergency departments are “the safety net of the safety net.”

- ▶ In 2021, 325 hospital emergency departments in California provided 24-hour access to health services. Federal law requires emergency departments to provide necessary treatment to all patients who seek care.
- ▶ About 12.9 million visits were made to California’s hospital emergency departments in 2021—a 9% increase from 2020. But ED visits remain well below pre-pandemic levels.
- ▶ Emergency departments are front-line providers for people experiencing homelessness. In 2021, about 387,000 ED visits (3% of total visits) were by people who were identified as homeless; [some hospital EDs report that people experiencing homelessness account for more than 20% of ED visits](#). These counts are probably underestimates, given the challenges of screening for homelessness in the ED.

Visits to health care safety net providers rebounded in 2021



Sources: California Department of Health Care Access and Information—Primary Care Clinic Annual Utilization Data and Hospital Annual Utilization Data.

Notes: Figure shows visits to primary care clinics licensed by the state; some clinics, including those that are county operated, are not shown. Visits for 2020 and 2021 were imputed for non-responding clinics based on median changes from 2019. County hospital visits include inpatient stays at the 19 county hospitals that operated throughout the period.

Sources: California Department of Health Care Services, Medi-Cal Certified Eligible Counts; California Department of Health Care Access and Information, Facility Annual Utilization Files; IPUMS Current Population Survey, 2022; McConville et al [How Hospital Discharge Data Can Inform State Homelessness Policy](#) (PPIC 2022).