

California Announces \$300 Million in Financial Support for Community Hospitals Across the State

SACRAMENTO – Today, the Department of Health Care Access and Information (HCAI) is taking action to support community hospitals struggling financially by awarding close to \$300 million in no-interest loans to 17 health care facilities under the Distressed Hospital Loan Program, announced earlier this year by Governor Gavin Newsom.

“Today we have provided much needed assistance to community hospitals across the state that desperately need financial help to provide the care their communities need,” **said HCAI Director Elizabeth Landsberg**. “I’m grateful to the Legislature for spearheading this effort to help make sure these vital healthcare institutions are fiscally stable so they can continue to provide quality, affordable health care for all Californians.”

KEY PROGRAM DETAILS: The program, established through Assembly Bill 112, offers interest-free, working capital loans to nonprofit and publicly operated financially-distressed hospitals, including facilities that belong to integrated healthcare systems with less than three separately licensed hospital facilities.

The Distressed Hospital Loan Program is jointly administered by the [California Department of Health Care Access and Information](#) (HCAI) and the [California Health Facilities Financing Authority](#) (CHFFA) at the California State Treasurer’s Office. The two departments have notified the eligible hospitals what loan amounts they have been approved for, with the loans scheduled to be released in the coming weeks.

HOSPITALS RECEIVING SUPPORT:

Facility Name	Loan Award
Beverly Hospital	\$5,000,000*
Chinese Hospital	\$10,350,000
Dameron Hospital Association	\$29,000,000
El Centro Regional Medical Center	\$28,000,000
Hayward Sisters Hospital, dba St. Rose Hospital	\$17,650,000
Hazel Hawkins Memorial	\$10,000,000
John C. Fremont Healthcare District	\$9,350,000
Kaweah Delta Health Care District	\$20,750,000
Madera Community Hospital	\$2,000,000**
Martin Luther King, Jr. Community Hospital	\$14,000,000
Palo Verde Hospital	\$8,500,000
Pioneers Memorial Healthcare District	\$28,000,000
Ridgecrest Regional Hospital	\$5,500,000

San Geronio Memorial Healthcare District	\$9,800,000
Sonoma Valley Hospital	\$3,100,000
TriCity Medical Center	\$33,200,000
Watsonville Community Hospital	\$8,300,000

* Beverly Hospital in Montebello will receive a \$5 million dollar bridge loan to cover operational costs while the hospital is purchased out of bankruptcy.

** Madera Community Hospital, which has been closed since December 2022 and filed for bankruptcy in March 2023, will receive a \$2 million bridge loan to cover basic operational costs for the facility while Adventist Health, the hospital’s proposed administrator, provides a comprehensive hospital turnaround plan. Once the plan is provided, and approved, Madera Community Hospital can be eligible for an additional \$50 million loan from the Distressed Hospital Loan Program.

KEY LOAN DETAILS:

- Loans will be at zero-percent interest.
- Loans are repayable over 72 months, with an initial 18-month grace period at the beginning of the loan term.
- The program will sunset on December 31, 2031.

ABOUT THE PROCESS: HCAI and CHFFA received 30 applicants for the program, however, not all hospitals were awarded funds. During the extensive loan application review process, HCAI considered a diverse set of criteria. Hospitals that demonstrated the greatest levels of financial distress, at-risk of closing in the near term, and had a well-founded plan to remain open and provide services and care, were prioritized and issued loans through this program. Hospitals that did not receive funds from this program demonstrated less financial distress when compared to other hospitals that applied.

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