



**Department of Health Care
Access and Information**

2020 West El Camino Avenue, Suite 800
Sacramento, CA 95833
hcai.ca.gov



Health Care Affordability Board
January 2024
Additional Public Comment Received

The following table reflects written public comments that were sent to the Office of Health Care Affordability email inbox.

Date	Name	Written Comment
Received: 2/24/2025; Postmarked: 1/29/2025	Banner Health	See Attachment #1.



1800 Spring Ridge Drive,
Susanville, CA 96130
530-252-2000
BannerHealth.com

January 27, 2025

Kim Johnson
Chair, Health Care Affordability Board
2020 W El Camino Ave.
Sacramento, CA 95833

Subject: OHCA Board Must Delay Creation of a Hospital Sector
(Submitted via email to Megan Brubaker)

Dear Chair Johnson,

Banner Lassen Medical Center is deeply concerned by the speed with which the Office of Health Care Affordability is considering defining hospital-specific sector(s) and establishing one or more sector-specific targets. Patients' access to care is at stake — it is crucial that the office's actions be based on thorough analysis of the health care spending landscape, and that hospitals clearly understand how to comply with sector-specific targets.

Making health care more affordable — a priority for California hospitals — is a shared responsibility. To make a difference in the cost of care, the entire health care system — insurance companies, drug manufacturers, medical device suppliers, labor unions, governmental agencies, and others — must work together. **Fragmenting the health care field so early in the process would undermine the collaboration that is key to our shared success.**

Before defining one or more hospital sectors, all stakeholders would benefit from a comprehensive analysis of spending across various segments of the health care industry, identification of areas in which spending growth is high, and a meaningful assessment of spending drivers to determine whether differences in spending are appropriate. Absent that analysis, it is difficult to understand how this proposal would meet OHCA's statutory requirement to "minimize fragmentation and potential cost shifting and encourage cooperation in meeting statewide and geographic region targets."

Further, OHCA has not yet finalized its method for measuring hospital spending. OHCA has a legal prerogative to inform the creation of sector targets with historical cost data. However, the lack of a finalized methodology means the relevant historical cost data has not been reviewed and leaves hospitals in the dark as to how to comply with the target. **Establishing hospital-specific sector(s) and corresponding targets is wholly premature.**

Banner Lassen Medical Center is already striving to meet the existing 3.5% spending target for 2025 by:

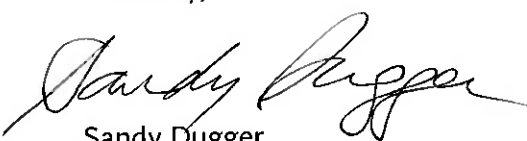
- Expanding services to increase revenue to offset the financial impact.

Lowering the target even further, without a clear understanding of how spending will be measured, means that we would be forced to further reduce the care we provide. This could impact:

- Nuclear Medicine, Occupational Health, Urgent Care, Wound Care, and Expansion of Surgical Services.

On behalf of the patients we serve, Banner Lassen Medical Center urges you to take additional time for analysis and discussion before finalizing sectors or corresponding targets. Banner Lassen Medical Center remains deeply committed to achieving our shared goals of affordable, high-quality care — and we ask that the office proceed with a keen eye toward ensuring care is not diminished in the pursuit of lower costs.

Sincerely,



Sandy Dugger
Chief Executive Office
Banner Lassen Medical Center

cc: Members of the Health Care Affordability Board:

David M. Carlisle, MD, PhD
Dr. Sandra Hernández
Dr. Richard Kronick
Ian Lewis
Elizabeth Mitchell
Donald B. Moulds, Ph.D.
Dr. Richard Pan
Elizabeth Landsberg, Director, Department of Health Care Access and Information
Vishaal Pegany, Deputy Director, Office of Health Care Affordability
Darci Delgado, Assistant Secretary, California Health and Human Services Agency
Richard Figueroa, Deputy Cabinet Secretary, Office of Governor Gavin Newsom