



2020 West El Camino Avenue, Suite 800  
 Sacramento, CA 95833  
[hcai.ca.gov](http://hcai.ca.gov)



Health Care Affordability Board  
 Proposed Hospital Sector Target Values  
 Public Comments received after submission deadline

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

Date	Name	Written Comment
4/14/2025	Golden Valley Health Centers	See Attachment #1.
4/14/2025	Bakersfield Memorial Hospital	See Attachment #2.
4/14/2025	San Joaquin County Behavioral Health Services	See Attachment #3.
4/14/2025	Stanislaus County Board of Supervisors	See Attachment #4.
4/14/2025	Niamh Seavy	<p>I am writing today to urge the Office of Health Care Affordability (OCHA) to support and protect safety net hospitals like our Doctors Medical Center (DMC) in Modesto, which serves as our region's safety net hospital and moreover, that your Board not take any action impacting DMC that may jeopardize access to care for tens of thousands of Medi-Cal and underserved patients across the greater Central Valley region.</p> <p>I am a retired General/Trauma Surgeon who has worked at DMC for 30 years. I am currently Chairman of the Board of Governors at DMC.</p> <p>It is my understanding that the OHCA Board, as part of its mission to begin to lower the cost of California healthcare, will soon consider adopting additional, lower annual hospital spending targets by labeling only DMC and ten other hospitals (out of over 400 in the state) as "high cost" hospitals, subjecting DMC</p>

Date	Name	Written Comment
		<p>to annual spending growth targets of less than 2% per year.</p> <p>Based on everything I know and have experienced, any such spending target is both unrealistic and unsustainable. I urge the OHCA Board to reject any lower annual hospital spending targets for DMC or any other safety net hospital and instead work with such safety net providers to preserve and expand access to care, particularly in underserved areas of the state like our Central Valley.</p> <p>We believe the unintended consequences of OHCA's potential action are real and we urge the Board to not take any action that will force DMC or other safety net hospitals to curtail access to services, reduce staffing or otherwise reduce DMC's ability to continue to invest in the vital services and highly-trained workforce that provide essential services across the Central Valley.</p> <p>Thank you for considering our views on this urgent matter and for protecting a unique, regional healthcare safety net for all Central Valley residents.</p> <p>Sincerely, Niamh Seavy MD FACS</p>
4/15/2025	Stanislaus Medical Society	See Attachment #5.
4/16/2025	Kristofer Richter, Doctors Medical Center	See Attachment #6.



April 14, 2025

Megan Brubaker  
Office of Health Care Affordability  
2020 W El Camino Ave., Suite 1200  
Sacramento, CA 95833

**RE: Doctors Medical Center (Modesto) – Protecting Central Valley’s Safety Net Hospital**  
*(Submitted via email to OHCA@HCAI.ca.gov)*

Dear Ms. Brubaker:

I am writing today to urge the Office of Health Care Affordability (OCHA) to support and protect safety net hospitals like Doctors Medical Center (DMC) in Modesto, which serves as our region’s safety net hospital, and moreover, that your Board not take any action impacting DMC that may jeopardize access to care for tens of thousands of Medi-Cal and underserved patients across the greater Central Valley region.

Golden Valley Health Centers cares for 172,000 patients, providing over 710,000 services each year; 80% of that patient population depends on Medi-Cal for health coverage. More than 60% of that patient population is in Stanislaus County where DMC is a vital partner and provider of essential hospital and specialty care services for our patient population. Central Valley is already very limited on health care access and resources, any changes in operations and staffing of DMC will severely affect and further disadvantage the patients and communities we serve.

It is my understanding that the OHCA Board, as part of its mission to begin to lower the cost of California healthcare, will soon consider adopting additional, lower annual hospital spending targets by labeling only DMC and ten other hospitals (out of over 400 in the state) as “high cost” hospitals, subjecting DMC to annual spending growth targets of less than 2% per year.

Based on everything I know and have experienced, any such spending target is both unrealistic and unsustainable. I urge the OHCA Board to reject any lower annual hospital spending targets for DMC or any other safety net hospital and instead work with such safety net providers to preserve and expand access to care, particularly in underserved areas of the state like our Central Valley.

We believe the unintended consequences of OHCA’s potential action are real, and we urge the Board to not take any action that will force DMC or other safety net hospitals to curtail access to services, reduce staffing, or otherwise reduce DMC’s ability to continue to invest in the vital services and highly-trained workforce that provide essential services across the Central Valley.

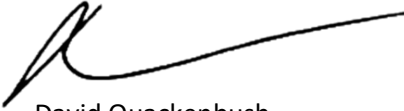
**Megan Brubaker**

4/14/2025

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Thank you for considering our views on this urgent matter and for protecting a unique, regional healthcare safety net for all Central Valley residents.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Quackenbush', with a long, sweeping horizontal stroke extending to the right.

David Quackenbush  
President and CEO

cc: Board Members, Office of Health Care Affordability Board



420 34th Street  
Bakersfield, CA 93301  
direct 661.327.4647  
fax 661.326.0706  
dignityhealth.org

April 7, 2025

Megan Brubaker  
Office of Health Care Affordability  
2020 W El Camino Ave., Suite 1200  
Sacramento, CA 95833

Subject: Bakersfield Memorial Hospital Opposes Proposed Hospital Sector Spending Target Recommendations  
(Submitted via email to OHCA@HCAI.ca.gov)

Dear OHCA Board Members and Staff,

On behalf of Bakersfield Memorial Hospital, I appreciate the opportunity to provide comments regarding OHCA's consideration of sector-specific spending targets and the methodology for determining a high-cost hospital list. I am deeply concerned about the speed and the process that has been taken to develop this list and the overall hospital sector spending targets and urge the Office to take additional time for analysis and discussion before finalizing sectors or corresponding targets.

Patients' access to care is at stake and Bakersfield Memorial Hospital remains committed to achieving our shared goals of affordable, high-quality care, and we ask that OHCA proceed with a keen eye toward ensuring that care is not diminished in a hasty pursuit. Establishing a hospital sector-specific spending target first and identifying high-cost hospitals without a comprehensive analysis, including ignoring uncontrollable cost factors like the required 2030 seismic retrofitting, which will cost more than \$100 billion statewide, or the new \$25/hour minimum wage, risks destabilizing hospitals and reducing access to essential services. These uncontrollable cost factors, paired with significant underfunding from Medicare and Medi-Cal, are making it extremely difficult for us to continue to provide care for our community.

BMH is part of Dignity Health, the largest provider of healthcare services to the Medi-Cal and underserved communities in California. We are located in the heart of Bakersfield and are committed to deliver care for a population that is over 50% Medi-Cal and nearly 40% Medicare enrollees. We are the largest hospital in Kern County and serve as its tertiary facility - offering the broadest scope of inpatient services to our neighbors. Further, along with our sister hospital, Mercy Hospital of Bakersfield, BMH operates the Special Needs and Community Outreach program touching over 80,000 of our neighbors last year by offering free health screenings, vaccinations, outreach and clothing, after school programs, along with numerous other efforts that support the homeless population in Bakersfield.

OHCA's spending targets fail to adequately consider the impact of inflation and other rising costs that are beyond hospitals' control. Ignored areas include pharmaceutical costs, general inflation, and other state or federal mandated spending. Pharmaceutical costs are high and rapidly increasing, particularly with the rise of gene therapies and other advanced treatments. It is a significant driver of hospital expenses. Since 2000, California has experienced a cumulative inflation rate of approximately 67.5%, significantly increasing the cost of supplies and services. Hospital cost inflation trends confirm this pressure:

- FY 2024 Salaries and benefits costs rose 6.4% over the prior year.
- FY 2024 Supplies costs rose 6.1% over the prior year.
- FY 2024 Purchased services costs rose 8.0% over the prior year (adjusted for California's provider fee).
- Recent Kaufman National Hospital Flash Reports validate these trends, showing labor costs rising 5%, supplies 9%, and pharmaceuticals 9%.

We face numerous state and federal mandates that increase costs, including seismic retrofit requirements that must be met by 2030 that will cost hospitals in the billions. These obligations must be factored into spending targets, sector specific spending targets, and any development of a "high-cost" list. OHCA must address these underlying cost drivers or risk imposing artificial constraints that do not actually improve affordability for patients.

If these factors are ignored, Bakersfield Memorial Hospital will need to reconsider certain investments in the community and in access, making some service lines vulnerable for reduction or even elimination.

Less than 15.50% of gross charges come from commercial payers; that means that more than 84.50% of our patient care results in government payers, self-pay, or charity care. Dynamics between commercial and government payers need to be accounted for: Approximately 99,170 out of 148,216 patients, ~66.91%, of those who come to our hospital rely on Medi-Cal or Medicare products for their health coverage. This results in 66.91% of patients and reimbursement under these programs falls far short of covering our costs - For Bakersfield Memorial Hospital, this dynamic resulted in over \$4,444,279 million in losses last fiscal year.

We have significant concerns with the premature development of the sector target, a "high-cost hospitals" list and what staff have used or excluded in their determination of which hospitals fall on this list for many of the reasons mentioned above. One of the most obvious areas for concern for the spending targets that is also very relevant for this sector list: Focusing solely on the commercial year over year revenue caps, the office is missing the complete picture, and does not solve the underlying problem causing commercial rates to necessarily bridge the gap.

Bakersfield Memorial Hospital is already striving to figure out how we would meet the recently set 3.5% spending target. However, setting specific sector targets and lowering the target further for certain hospitals—without a clear understanding of how spending will be measured—would force us to reduce the care we provide. While it is difficult to predict exactly which services would be impacted, it is clear that further constraints would negatively affect our ability to maintain or expand services for our community's most vulnerable populations.

Health care affordability is a shared responsibility, and we remain committed to working with OHCA and other stakeholders to achieve sustainable cost containment strategies. However, imposing one sector's spending targets without addressing the real cost drivers will only undermine our ability to provide high-quality care. We urge OHCA to take additional time for analysis and continue with further stakeholder engagement before finalizing any sector-specific targets or high-cost hospital determinations.

We appreciate your consideration of our concerns and welcome further dialogue on this critical issue.

Sincerely,



Ken Keller  
President/CEO  
Bakersfield Memorial Hospital



## Behavioral Health Services

*A Division of Health Care Services Agency*

Genevieve G. Valentine, LMFT, HCS Director  
Fay Vieira, LMFT, BHS Assistant Director- Clinical  
Cara Dunn, BHS Assistant Director- Administrative

April 14, 2025

Megan Brubaker

Office of Health Care Affordability

2020 W El Camino Ave., Suite 1200

Sacramento, CA 95833

### **RE: Doctors Medical Center (Modesto) – Protecting Central Valley’s Safety Net Hospital**

*(Submitted via email to OHCA@HCAI.ca.gov)*

Dear Ms. Brubaker:

I am writing today to urge the Office of Health Care Affordability (OCHA) to support and protect safety net hospitals like our Doctors Medical Center (DMC) in Modesto and that your Board does not take any action impacting DMC that may jeopardize access to care for tens of thousands of Medi-Cal and underserved patients across the greater Central Valley region.

The County of Stanislaus has a long and unique history in a public-private partnership with DMC. Not only does DMC serve as our de facto county hospital, it operates a free-standing inpatient behavioral health facility. During my over two decades of service here, I have worked directly with the hospital and psychiatric facility in providing services to patients across the entire Central Valley. Despite our best efforts, our region remains the most medically underserved region of the state, including a chronic and urgent shortage of primary care and specialist physicians and other needed clinicians.

I understand that OHCA Board, as part of its mission to begin to lower the cost of California healthcare, will soon consider adopting additional, lower annual hospital spending targets by labeling only DMC and ten other hospitals (out of over 400 in the state) as “high cost” hospitals, subjecting DMC to annual spending growth targets of less than 2% per year.

I believe there is a strong potential for unintended consequences if the OHCA Board takes this action and could likely force DMC or other safety net hospitals to curtail access to services or reduce staffing. Beyond these impacts, setting such artificially low spending targets could reduce DMC’s ability to continue to invest in the vital services and highly trained workforce that provide essential services across the Central Valley.

Thank you for considering our views on this urgent matter and for protecting a unique, regional healthcare safety net for all Central Valley residents.

Sincerely,

A handwritten signature in blue ink, appearing to read "Genevieve Valentine", with a long horizontal flourish extending to the right.

Genevieve Valentine, LMFT  
Director of Health Care Services

cc: Board Members, Office of Health Care Affordability Board





Megan Brubaker  
Office of Health Care Affordability  
2020 W El Camino Ave., Suite 1200  
Sacramento, CA 95833

April 14, 2025

**RE: Doctors Medical Center (Modesto) – Protecting Central Valley’s Safety Net Hospital**  
(Submitted via email to [OHCA@HCAI.ca.gov](mailto:OHCA@HCAI.ca.gov))

Dear Ms. Brubaker:

I am writing today to urge the Office of Health Care Affordability (OCHA) to support and protect safety net hospitals like our Doctors Medical Center (DMC) in Modesto, which serves as our region’s safety net hospital and moreover, that your Board not take any action impacting DMC that may jeopardize access to care for tens of thousands of Medi-Cal and underserved patients across the greater Central Valley region.

As a businessman and elected official, I have the opportunity to serve and work with the dedicated leadership at DMC. DMC serves as not only a safety net for our community, but as the only Level II trauma center in our region. The irreplaceable role of DMC in our community as a nationally recognized service provider is a key indicator of the quality work performed for the residents of Stanislaus County. With over 60 years of experience and service to the community, DMC has built relationships and trust that have stood the test of time.

It is my understanding that the OHCA Board, as part of its mission to begin to lower the cost of California healthcare, will soon consider adopting additional, lower annual hospital spending targets by labeling only DMC and ten other hospitals (out of over 400 in the state) as “high cost” hospitals, subjecting DMC to annual spending growth targets of less than 2% per year.

Based on everything I know and have experienced, any such spending target is both unrealistic and unsustainable. I urge the OHCA Board to reject any lower annual hospital spending targets for DMC or any other safety net hospital and instead work with such safety net providers to preserve and expand access to care, particularly in underserved areas of the state like our Central Valley.

I believe the unintended consequences of OHCA's potential action are real and I urge the Board not to take any action that will force DMC or other safety net hospitals to curtail access to services, reduce staffing or otherwise reduce DMC's ability to continue to invest in the vital services and highly-trained workforce that provide essential services across the Central Valley.

Thank you for considering our views on this urgent matter and for protecting a unique, regional healthcare safety net for all Central Valley residents.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mani Grewal', is centered below the word 'Sincerely,'.

Mani Grewal  
Supervisor, District 4

cc: Board Members, Office of Health Care Affordability Board



# Stanislaus Medical Society

**Established  
1910**

ROHINI BOGINENI, M.D.  
PRESIDENT

JOANNE CHIPPONERI  
EXECUTIVE DIRECTOR

J. ALEX GARCIA-YOUNG, M.D.  
PRESIDENT-ELECT

KRISTOFER RICHTER, D.O.  
SECRETARY

JOSEPH PROVENZANO, D.O.  
TREASURER

April 15, 2025

Megan Brubaker  
Office of Health Care Affordability  
2020 W El Camino Ave., Suite 1200  
Sacramento, CA 95833

**RE: Doctors Medical Center (Modesto) – Protecting Central Valley’s Safety Net Hospital**  
(Submitted via email to [OHCA@HCAI.ca.gov](mailto:OHCA@HCAI.ca.gov))

Dear Ms. Brubaker:

The Stanislaus Medical Society urges the Office of Health Care Affordability (OCHA) to support and protect safety net hospitals like our Doctors Medical Center (DMC) in Modesto, a hospital that has historically provided the lion’s share of care and services for tens of thousands of Medi-Cal and underserved patients across the greater Central Valley region.

Chronic shortages of physicians across our region – both primary care and specialists – adds increased pressure on physicians in all practice settings because Medi-Cal enrollments in Stanislaus and surrounding counties approaches or exceeds 50% of all residents.

Thankfully, DMC serves as the largest safety net hospital in the region, providing stable and reliable access to an array of high quality, tertiary and specialized services that cannot be found at any other single hospital. DMC remains an essential and strong partner to the physician community, including serving as a teaching hospital and continues to invest heavily in teaching, recruiting and training physicians in a tireless effort to forestall our workforce shortage.

We understand that OHCA Board, as part of its mission to begin to lower the cost of California healthcare, will soon consider adopting additional, lower annual hospital spending targets by labeling only DMC and ten other hospitals (out of over 400 in the state) as “high cost” hospitals, subjecting DMC to annual spending growth targets of less than 2% per year.

As the physician leadership across the greater Stanislaus County area, we urge the OHCA Board not to adopt such an arbitrarily low annual spending target for DMC. As physicians, we continue to believe in the most basic tenet of “first do no harm.” In this matter, we believe unintended consequences could result which would force DMC to curtail access to services, reduce staffing or both.

We hope the OHCA Board agrees that now is not the time to restrict DMC’s ability to continue to invest in the vital services and highly trained workforce that provide essential services across the region. Thank you for considering our views on this urgent matter and for protecting a unique, regional healthcare safety net for all Central Valley residents.

Sincerely,

Rohini Bogineni, MD, FACS  
President  
Stanislaus Medical Society

CC: Board Members, Office of Healthcare Affordability Board

Attachment #6  
**LETTER OF SUPPORT FOR DMC**  
**Submit by Email to: *OHCA@HCAI.ca.gov***

April 15, 2025

Megan Brubaker  
Office of Health Care Affordability  
2020 W El Camino Ave., Suite 1200  
Sacramento, CA 95833

**RE: Doctors Medical Center (Modesto) – Protecting Central Valley’s Safety Net Hospital**  
*(Submitted via email to OHCA@HCAI.ca.gov)*

Dear Ms. Brubaker:

I am writing today on behalf of the Medical Executive Committee to urge the Office of Health Care Affordability (OCHA) to support and protect safety net hospitals like our Doctors Medical Center (DMC) in Modesto, which serves as our region’s safety net hospital and moreover, that your Board not take any action impacting DMC that may jeopardize access to care for tens of thousands of Medi-Cal and underserved patients across the greater Central Valley region.

Our medical staff is a large group of physicians that are passionate about providing care for our underserved community. For a hospital in a location such as this, with limited local resources, we are proud that we can care for our patients near their homes and families. If Doctors Medical Center couldn’t provide all the services we do, we would have to transfer patients’ hours away, losing critical time before treatment can begin, but also burdening their families to travel to visit their loved ones.

It is our understanding that the OHCA Board, as part of its mission to begin to lower the cost of California healthcare, will soon consider adopting additional, lower annual hospital spending targets by labeling only DMC and ten other hospitals (out of over 400 in the state) as “high cost” hospitals, subjecting DMC to annual spending growth targets of less than 2% per year.

Based on everything we know and have experienced, any such spending target is both unrealistic and unsustainable. We the OHCA Board to reject any lower annual hospital spending targets for DMC or any other safety net hospital and instead work with such safety net providers to preserve and expand access to care, particularly in underserved areas of the state like our Central Valley.

We believe the unintended consequences of OHCA’s potential action are real and we urge the Board to not take any action that will force DMC or other safety net hospitals to curtail access to services, reduce staffing or otherwise reduce DMC’s ability to continue to invest in the vital services and highly-trained workforce that provide essential services across the Central Valley.

Thank you for considering our views on this urgent matter and for protecting a unique, regional healthcare safety net for all Central Valley residents.

Sincerely,

Kristofer Richter, DO  
Chief of Staff, Doctors Medical Center

cc: Board Members, Office of Health Care Affordability Board