



April 26, 2021

Assemblymember Lorena Gonzalez
Chairwoman, Assembly Appropriations Committee
State Capitol
Sacramento, CA 95814

RE: Support – Assembly Bill 1038 (Gipson)

Dear Assemblymember Gonzalez,

Sepsis Alliance requests your support of Assembly Bill 1038 (Gipson), which was approved on April 20, 2021, by the Assembly Health Committee with a vote of 14 to 1. AB 1038, and an accompanying budget request, call for creating a California Health Equity Fund to address the dire health and social inequities wrought by COVID -19.

- Latinx, Black, Native Hawaiian, Pacific Islander, Asian American, American Indian, LGBTQ, and low-income communities are bearing the brunt of health and/or social impacts of COVID-19 including a higher risk of contracting and dying from COVID-19, high rates of job and income loss, insecure housing, and food insecurity.
- Major contributing risk factors include a legacy of structural racism which has resulted in: a burden of largely preventable pre-existing health conditions such as hypertension, heart disease, and diabetes; crowded or insufficient housing; unstable employment, such as agricultural and gig work; and roles as essential workers, often in undervalued professions such as caregiving.
- In addition, stresses on families due to COVID-19, prolonged school closures, and limited access to supportive resources are exacerbating risks of childhood trauma which may have lasting negative impacts on their health and educational achievement.

The need for this fund is **urgent**. Today's suffering will further increase the risk of preventable hardship, illness, and premature death for years to come unless we stop the cycle.

The California Health Equity Fund solution:

- Nonprofit organizations, clinics, tribal organizations, and local health departments will be eligible to receive funds.



- Allowable uses will advance policy, systems, and environmental changes that address inequities in any of the following areas: housing security, food security and healthy food systems, economic stability, education and childcare, Health in All Policies, and health promoting built environments
- Funding in these areas will also support reducing risks of childhood adverse experiences (ACEs) which have been exacerbated by COVID-19, including economic stresses for families, prolonged school closures, and limited access to supportive resources.
- Eligible areas will be those hardest-hit by COVID-19 and with elevated social and environmental risks for health inequities.
- Local grantees will use local needs assessments and indices of health inequities and social determinants of health to select issues from allowable uses that are most deeply affecting their communities and implement strategies tailored to local conditions.
- The Fund will invest \$10/capita/year, which represents less than 1/1000th of what California spends on health care.

Investing in a California Health Equity Fund will do more than help mitigate the human costs of COVID-19, it makes financial sense. Preventing Californians from needing health care and social services in the first place can also help contain healthcare costs for California families and for the State. The Legislative Analyst's Office November 2020 Medi-Cal Fiscal Outlook brief projects that Medi-Cal spending will increase by approximately \$3.2 billion (10 percent) in 2021-22 due to COVID-19. Further, according to a 2020 California Health Care Foundation report, half of Californians said they had skipped or postponed health care in the past year because of rising costs and 42% felt the consequences in worse health outcomes.

If we change nothing about how we fund health equity, nothing will change. Dedicated funding for nonprofit organizations, clinics, tribal organizations, and local health departments to address the devastating impacts of COVID-19 is essential to dismantle the legacy of structural racism that has compounded deep health inequities in California. We thank you for your support of AB 1038.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Heymann", written in a cursive style.

Thomas Heymann
President & CEO
Sepsis Alliance

Sepsis Alliance is a GuideStar Platinum Rated Charity.

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