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August 30, 2007

The Honorable Arnold Schwarzenegger
 Governor of California
 State Capitol Building
 Sacramento, CA 95814

Dear Governor Schwarzenegger:

I write on behalf of the eight regional, non-profit Children's Hospitals in California to applaud your courage, creativity and commitment in the quest for comprehensive reform of our healthcare delivery system.

Our eight Children's Hospitals are the backbone of the system for pediatric care providing nearly 40% of all inpatient care for California's children. The Children's Hospitals are major teaching and research centers in addition to treating the most seriously ill and injured children throughout California and from around the world. But it is a sad fact in California that a disproportionately high percentage of the children treated in our hospitals are dependent on government to pay for their care.

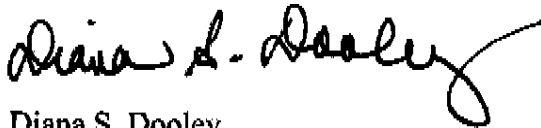
In order to assure that this essential, high quality care will be there when any child needs it – not just those supported by government – we must preserve and enhance the pediatric safety net. Therefore, the Children's Hospitals support and appreciate your recognition that increases in Medi-Cal funding must be a part of any healthcare reform.

We appreciate your flexibility and willingness to consider many options for effecting your concept of shared responsibility. The newest model seems to employ a tax base and distribution formula that is advantageous to most children's hospitals and is worthy of our serious and thoughtful consideration. We must be assured that the gains can be maintained over time and that sufficient protections are incorporated to resolve any unintended adverse consequences.

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We will continue to engage in an open-minded and cooperative effort with you and the Legislature to achieve comprehensive healthcare reform and assure that California's children will have the care they need and deserve.

Sincerely,



Diana S. Dooley
President and CEO

cc: The Honorable Don Perata
President Pro Tempore
California State Senate

The Honorable Fabian Nunez
Speaker of the Assembly
California State Assembly

Board of Directors
California Children's Hospital Association

C. Duane Dauner, President & CEO
California Hospital Association

Herb Schultz
Senior Health Policy Advisor
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