



San Joaquin Valley: Some Hospitals Struggle Financially, and Access Challenges Grow, as Medi-Cal Cuts Loom

Summary of Findings

California's San Joaquin Valley — spanning the counties of Fresno, Kings, Madera, Mariposa, and Tulare — is the food bowl of California and the nation. Although the region's fertile farmland helps feed families across the country, more than 1 in 5 children experience food insecurity in Fresno County, the region's urban hub with more than a million residents.¹ Over half the region's population relies on Medi-Cal for health coverage, another 7.6% are uninsured, and almost 1 in 5 people live in poverty. At the same time, there are pockets of affluence. The COVID-19 pandemic hit the region particularly hard, compounding existing health and health care challenges. High unemployment (8.2%) remains a major regional challenge, along with a dearth of high-wage jobs. Housing affordability, once a regional strength, has worsened.

Compounding tough regional economic conditions, San Joaquin Valley residents report worse physical health status across a range of indicators compared to California overall. For example, the region's infant mortality rate is 5.6 deaths per 1,000 births — markedly higher than the statewide rate of 4.1 deaths per 1,000 births.

The region has experienced a number of changes since the previous study in 2020–21 (see page 25 for more information

about the Regional Markets Study).² Key developments include:

- ▶ **Some hospitals in the San Joaquin Valley experienced a financial downturn during the COVID-19 pandemic, largely brought about by declining inpatient volumes and higher staffing costs.** In the case of nonprofit Madera Community Hospital, financial distress resulted in the hospital closing abruptly in January 2023 and declaring bankruptcy soon after. After receiving a state loan for distressed hospitals, Madera reopened in March 2025 but without maternity services.
- ▶ **A large independent practice association (IPA) launched, and national hospitalist groups entered the market.** The IPA, developed by the large regional Federally Qualified Health Center (FQHC), United Health Centers, is now the second-largest IPA in the region. Three hospitals are contracting with two large national hospitalist groups to provide inpatient services.
- ▶ **Community health centers (CHCs), which are mostly FQHCs, provide bedrock access to outpatient care, adding sites and serving more patients per capita than CHCs in other study regions and statewide.** Since the last study, CHCs have added services, developed population-health-management acumen, and gained

financial sophistication. Unlike some hospitals regionally, most CHCs in the region are on sound financial footing.

► **The region continues to struggle with chronic shortages across the spectrum of health care professionals.**

Hospitals and CHCs partner with local colleges and universities to “grow their own” workforce. Shortages of obstetricians and gynecologists (ob/gyns) are particularly acute, contributing to serious access challenges for maternity care across the region, where infant mortality rates are already among the highest statewide.

► **State Medi-Cal transformation initiatives have brought new benefits and sorely needed behavioral health infrastructure investments.**

At the same time, the initiatives and investments have brought complex and resource-intensive implementation. Medi-Cal also expanded coverage to all eligible undocumented immigrants since the last study, a particularly consequential development in a region where 13% of residents are non-citizens. However, these coverage gains are under threat because of state budget shortfalls.

► **Widespread anxiety exists about the coming federal Medicaid budget cuts and policy changes, especially coming on the heels of state cuts to balance the budget.**

Tens of thousands of people across the San Joaquin Valley are projected to lose coverage in the coming years through a combination of eligibility changes, administrative requirements, and federal funding cuts. The rise in uninsured people could increase financial and operational pressure on some parts of the delivery system.

Background on Regional Markets Study

Between March and June 2025, researchers from Yegian Health Insights, LLC, conducted interviews with health care leaders in the San Joaquin Valley counties of Fresno, Kings, Madera, Mariposa, and Tulare in central California to study the market's local health care system. The San Joaquin Valley is one of seven markets included in the Regional Markets Study funded by the California Health Care Foundation. The purpose of the study is to gain key insights into the organization, financing, and delivery of care in communities across California and over time. This is the fifth round of the study; the first set of regional reports was released in 2009. The seven markets included in the project — Inland Empire, Los Angeles, Sacramento, San Diego/Imperial, San Francisco Bay Area, San Joaquin Valley, and Shasta/Lassen — reflect a range of economic, demographic, care delivery, and financing conditions in California. Yegian Health Insights interviewed over 200 respondents for the overall study, with 25 to 30 interviews specific to each region. Respondents included executives from hospitals, physician organizations, CHCs, Medi-Cal managed care plans, and other local health care leaders. Interviews with commercial health plan executives and other respondents at the state level also informed this report.

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ABOUT THE FOUNDATION

The **California Health Care Foundation** is dedicated to advancing meaningful, measurable improvements in the way the health care delivery system provides care to the people of California, particularly those with low incomes and those whose needs are not well served by the status quo. We work to ensure that people have access to the care they need, when they need it, at a price they can afford. CHCF informs policymakers and industry leaders, invests in ideas and innovations, and connects with changemakers to create a more responsive, patient-centered health care system.

California Health Care Almanac is an online clearinghouse for key data and analysis examining the state's health care system.

ENDNOTES

1 “[Child Food Insecurity Rate](#)” Healthy Fresno County Data, July 2025.

2 Len Finocchio and James Paci, [*San Joaquin Valley: Despite Poverty and Capacity Constraints, Health Care Access Improves*](#), California Health Care Foundation (CHCF), December, 18, 2020.