

1 IN 3 CALIFORNIANS RELY ON MEDICAID OR MEDI-CAL

Having a reliable and regular source of health care allows Medi-Cal enrollees to focus on supporting their families, having a job and participating in the local economy

- Nearly 15 million residents rely on Medi-Cal for access to essential health care
 - This includes 5.5 million kids, 2.3 million seniors and people with disabilities, and 45,000 veterans, active-duty military or relatives of veterans.
- Nearly half of California's rural residents get health coverage from Medicaid.
- Nearly 1 in 5 workers in California rely on Medicaid. Eight in 10 live in households with a family member who works.

MEDICAID IS EFFICIENT AND COST EFFECTIVE

Medicaid is the most economical means of delivering health insurance coverage in U.S.

- California has the 14th lowest per-enrollee Medicaid spending nationwide, when adjusted for cost of living.
- Medicaid coverage is far less expensive than private health insurance -- 83% less than private coverage.

MEDICAID IS A PRIORITY ACROSS PARTY LINES

Medicaid funding supports nearly 80 million people nationwide, spanning all political viewpoints. The vast majority of the population is in favor of Medicaid, for good reason—It provides health care security to veterans, children, working families, and seniors in nursing homes.

- Polling shows that regardless of political party, 77% of the public has a favorable opinion on Medicaid, including 63% of Republicans and 87% of Democrats.
- Last November, a bipartisan two-thirds of California voters overwhelmingly supported increased funding for Medi-Cal through Proposition 35.

WHOLESALE CUTS TO MEDICAID WILL DESTABILIZE HEALTH CARE

Medi-Cal enrollees are an important part of the mix of patients cared for by 300,000 California providers and the Medicaid program funds billions of dollars in essential medical care that supports and stabilizes the health care system we all rely on .

- Indiscriminate Medicaid cuts could lead to hospital closures, affect doctors' practices and strain other critical health care facilities, limiting access to health care for all Californians.
- One in three rural hospitals in the U.S. are at risk of closing, leaving residents to travel long distances for emergency care.
 - California's rural hospitals are a minimum of 35 miles from the next medical facility.

PREVENTING MEDICAID MISUSE

While local plan enrollment stays within state lines, we support strengthening Medicaid eligibility systems and collaboration between plans and states to prevent duplication of enrollment.

- The magnitude of cuts on the table far exceed any additional efforts to tighten program integrity and would amount to widespread reductions to our vulnerable populations and would destabilize the health care system that serves them.
- As *stewards of taxpayer dollars*, managed care plans have checks and balances instituted in their operations to root out fraud, waste and abuse as it is identified.

MEDICAID SUPPORTS LOCAL ECONOMIES

Not only is Medicaid a critical part of the health care sector, but the program stabilizes the workforce for many business owners, whose part-time and minimum-wage workers have a regular source of health care that enables them to be a vital part of the workforce.

- Health care is an essential business partner and economic engine in communities, contributing to jobs, taxes and community investment. An estimated 121,000 California jobs could be lost from broad-based cuts to Medicaid – both health care jobs and within the supply chains.
- Most Medi-Cal enrollees are workers who form the backbone of the local economies. Medicaid funding is more than health care assistance: it is a critical economic stimulus that enables each county to maintain a stable, productive workforce that strengthens community resilience.
- The Medicaid expansion saved \$3.4 billion in unpaid medical bills from going to collection in its first two years. It also significantly reduced bankruptcy filings.
- Medicaid cuts would be a tax burden on all Californians as newly uninsured patients cannot afford regular care and turn to expensive ERs with costly, serious health issues.

MEDICAID KEEPS PEOPLE HEALTHY

Preventive care is the best medicine to keep our population healthy and reduce health care costs. Health care expansions over the past 20 years significantly reduced uninsured rates, which lowered uncompensated care and reliance on ERs as a regular source of care.

- Studies show that Medicaid enrollees' access to regular care helps prevent hospitalization and results in fewer unmet health needs. Chronic disease management is core to Medicaid.
- Kids with Medicaid coverage have improved health and better long-term educational attainment.
- When Medicaid funding is cut, chronic disease patients face disruptions in treatment, leading to worse health outcomes, increased emergency room visits, and higher long-term care costs.

MEDICAID'S FINANCING STRUCTURES SUPPORT THE HEALTH CARE ECOSYSTEM

Federal and state collaboration to finance the Medicaid program has supported greater access to care and allowed more providers to care for this population.

- All states rely on the federal and state partnership to jointly fund the Medicaid program, and Medicaid financing was designed to be flexible.
- Making changes to ratchet back federal contributions to state Medicaid programs will disrupt health care systems in local communities. States, and providers, rely on stable Medicaid funding to keep providers in their community and hospitals open.
- Provider taxes have allowed California's health care providers to work collaboratively with the State to meet our match obligations
- Provider taxes are a critical source of funding for 49 states, and without them, many hospitals, skilled nursing facilities, and Medicaid programs will be in jeopardy.

BOTTOM LINE: MAJOR CUTS TO MEDICAID WILL IMPACT THE ENTIRE HEALTH CARE SYSTEM IN LOCAL COMMUNITIES, JEOPARDIZING ACCESS TO CARE FOR ALL

- California's uninsured rates declined significantly following Medicaid expansion, resulting in economic growth and sustainable revenue for hospitals that were hit hard by uncompensated care.
- Medicaid cuts will mean many seniors and low-wage workers will lose coverage and small businesses will have more uninsured workers who may miss work when they or their family members fall ill.
- Given that Medicaid covers nearly 80 million Americans and nearly 15 million Californians, significant decreases in funding will jeopardize hospitals – and rural hospitals in particular – that our communities rely on to care for all residents regardless of payor.
- Uncompensated care will increase and force either reductions in services or closure altogether.