

MEDICAID'S IMPACT



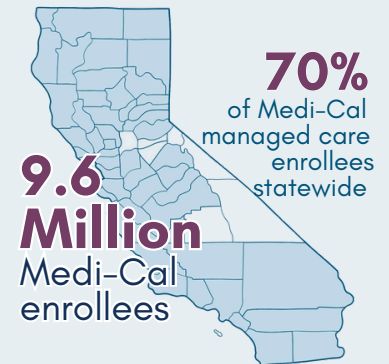
Local health plans are locally based and publicly accountable managed care plans **servicing the vast majority of Medi-Cal** (California's Medicaid program) **enrollees** in nearly all California counties. Our plans have a broad view of Medicaid's impact at a community level and the critical role it plays in supporting the larger health care infrastructure.

- Wholesale cuts to a program that provides care to one in three Californians **could destabilize the entire health care sector**, and threaten the financial stability of hospitals, provider networks, and local economies across the state.
- California contributes **\$83 billion more in federal taxes** than it receives in federal support.
- Significant Medicaid cuts mean that more California taxpayers' money will go other places.

Local Health Plans of California (LHPC)

is a statewide trade association that represents all 17 of the community-based, not-for-profit health plans that provide access to critical and comprehensive health care services for low-income populations enrolled in California's Medicaid program, Medi-Cal.

LOCAL PLANS SERVE:



Providing care in **51** out of 58 counties

WHO IT IMPACTS

14.8 Million Californians



45,000 California veterans, active duty military, or relatives of veterans



3.4 million working Californians



2.3 million seniors and people with disabilities



5 million children



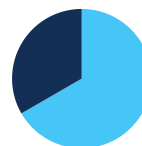
300,000 Providers

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.

MEDICAID FAVORABILITY



A **bipartisan 68% CA voters** overwhelmingly supported increased funding for Medi-Cal through Prop 35

MEDICAID'S FINANCING STRUCTURES SUPPORT THE HEALTH CARE ECOSYSTEM

Federal and state collaboration on Medicaid financing supports **greater access to care** and allows more providers to care for this population.

- All states rely on the federal/state Medicaid partnership, and **financing was designed to be flexible**.
- Ratcheting back federal contributions to state Medicaid programs will **disrupt health care systems in local communities**. States and providers, **rely on stable Medicaid funding** to support local health care services and keep hospitals open.

EFFICIENT AND ECONOMICAL

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

California has the **14th lowest per-enrollee Medicaid spending** nationwide, when adjusted for cost of living.

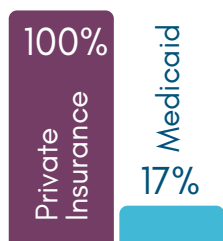
Preventive care is the best medicine to keep our population healthy and reduce health care costs.

Medicaid expansion reduced uncompensated care by about **40%**.

ER visits can cost **10x the rate** of urgent care centers or primary care providers.

COST COMPARISON: MEDICAID VS. PRIVATE COVERAGE

Medicaid is **83% less expensive** than private coverage



SUPPORTS LOCAL ECONOMIES

Caring for Medicaid enrollees **contributes to the health care sector**.

Medicaid **stabilizes businesses** that rely on part-time, minimum-wage workers, providing a regular source of health care that enables them to be a vital part of the workforce.

Nearly one in five California workers are covered by Medicaid.

Nearly **2 in 3** nondisabled, nonelderly adults in Medi-Cal work.

Workers with Medicaid will be more productive and have more money to contribute to the local economy.

121,000
jobs could be lost



An estimated **121,000** California jobs could be lost from broad-based cuts to Medicaid - both health care jobs and within the supply chains.

PILLAR OF HEALTH CARE SECTOR

Medicaid enrollees are an important part of the **mix of patients cared for by 300,000 California providers**.

Medicaid program funds **billions of dollars in essential medical care** that supports and stabilizes the health care system for all Californians.

Sizable Medicaid cuts could lead to hospital closures, affect doctors' practices and **strain other critical health care facilities**.

RURAL HOSPITALS ARE LIFELINES FOR THEIR COMMUNITIES



1 in 3

US rural hospitals are at risk of closing

Rural hospitals are **at risk of closing**, leaving residents to **travel long distances for emergency care**.



IMPACT OF HEALTH CARE CLOSURES

The 2023 closure of Madera Community Hospital left over **150,000 rural residents without local access** and displaced more than **700 medical workers**. A Madera County resident had to deliver her child in her car because Madera Community Hospital had closed, and the next closest hospital was 45 minutes away.