

House Republican Health Plan Would Shift \$45 Billion in Medicaid Costs to California

California would have to raise taxes or cut other parts of its budget by \$45 billion over ten years to maintain Medi-Cal, including the Medicaid expansion to low-income adults, under the House Republican health plan, new Urban Institute estimates show. These estimates reflect the House Budget Committee-approved bill. Revisions to the bill may modify the cost shift to the state.

The House plan (the American Health Care Act) would require California to spend as much as 5 times more than under current law to continue its Medicaid expansion starting in 2020, which would effectively end the expansion. The plan would further cut federal Medicaid funding for California by imposing a “per capita cap” on funding for California’s entire Medicaid program, with the capped amounts growing more slowly over time than California’s Medicaid costs.

**\$45
Billion**

California is already facing a budget shortfall this year. If California didn’t raise taxes or cut other budget areas like education, it would have to drop the Medicaid expansion and cut Medicaid eligibility, benefits, and/or payments to hospitals and physicians. These cuts could jeopardize the health and well-being of seniors, people with disabilities, children, and adults who rely on Medicaid today.

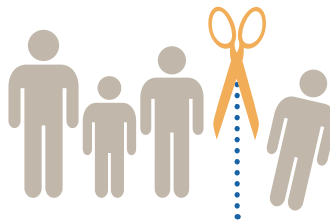
How Capping Federal Medicaid Funds Would Affect State Budgets

States really only have three ways to cut costs to Medicaid:

Cut Benefits



Cut Enrollment



Cut Payments to Providers



14 Million People Would Lose Medicaid Coverage Nationwide

The House plan would cut Medicaid funding nationwide by \$880 billion over the next ten years, with the cuts rising to 25 percent by 2026, the Congressional Budget Office estimates. This would cause 14 million people to lose Medicaid coverage.

The cuts would be most severe in states that have expanded Medicaid to low-income adults, like California, many of which would end their expansions due to the deep federal cuts. But the per capita cap would cut federal funding for all states.

Medicaid Helps California’s Families

11,742,000

Californians get comprehensive, affordable health coverage through Medicaid.

Most are children, seniors, and people with disabilities.



Medicaid covers **40%** of children in the state.



Medicaid covers **25%** of seniors and people with disabilities in the state.