

A "per capita cap" is a permanent cut to the Medicaid program.

Under a "per capita cap," the federal government would limit the total amount of federal funding to each state for each person enrolled in its Medicaid program – regardless of how much it actually costs to care for them, and without fundamentally addressing the underlying health care costs themselves.

This policy would result in a **massive cost-shift** to state and local governments, providers, and patients. The cap would likely result in significant cuts in the Medicaid program nationwide and could cause harm to millions of patients through lost coverage, wait lists, fewer benefits, and greater limitations on provider choice. As access is reduced, costs are likely to increase as patients turn to urgent and emergency care for services, increasing inequality in coverage and jeopardizing the health of **1/3 of Californians**.

A per capita cap would cost California billions each year.

Under the American Health Care Act, passed by the House of Representatives in May 2017, federal funding under the per capita cap would increase slightly each year, but at a lower rate than overall health care costs. Therefore the cost burden on California would grow every year.

The State of California estimates¹ that in the first year of the per capita cap nearly \$700 million in additional state funding would be needed to maintain current programs, but by year ten, that gap would have grown to roughly **\$5.3 billion annually**, and it would continue to widen each year thereafter.

Medi-Cal is already lean; these cuts will only cause harm to low-income and vulnerable patients.

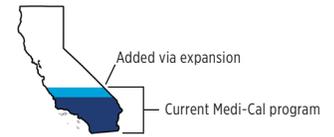
California's Medicaid program, Medi-Cal, is already one of the **most efficient health insurance programs** in the country, with spending growth far below that of private insurance – 3.1% vs. 4.6%² – and 85% of Medi-Cal enrollees are in more cost-effective managed care plans.

By locking states into their historical spending, the proposed per capita cap punishes historically efficient states like California and does not permit for natural changes in costs due to health care innovations, like new life-saving drugs or advances in health care technology.

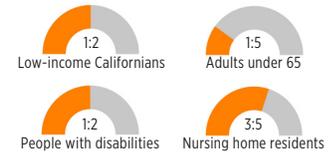
A per capita cap leaves little room to curb spending other than to limit enrollment, benefits, and payment rates, which is counter to the intent of the Medicaid program to keep healthy the elderly, the disabled, families, children, and the working poor.

Medi-Cal helps millions of Californians stay healthy.

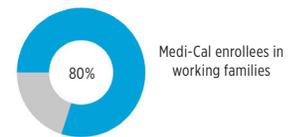
Medi-Cal covers roughly 13.5 million³ Californians, nearly 1/3rd of the state. This includes 3.7 million people who became eligible for Medi-Cal through the expansion in 2014.



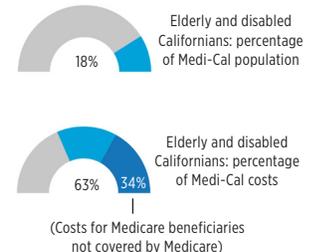
Medi-Cal covers: 1 in 2 low-income Californians, 1 in 2 people with disabilities, 1 in 5 adults under 65, 2 in 5 children, and 3 in 5 nursing home residents.



80% of Medi-Cal enrollees are in working families. Medi-Cal enrollees are truck drivers, health care workers, contractors, child care workers, waitresses, and others who are vital to California's economy.



Elderly and disabled Californians make up 18% of all Medi-Cal beneficiaries, but account for 63% of all Medi-Cal spending. 34% of all Medi-Cal spending goes to cover costs for Medicare beneficiaries (e.g. long-term care) that are not covered by Medicare.



A per capita cap will harm California's public health care systems.

California's public health care systems play an outsized role in caring for the state's Medi-Cal patients⁴, so they would be disproportionately affected by cuts to the Medi-Cal program.

California's public health care systems operate in 15 counties where 80% of the state's population lives, and provide 35% of all hospital care to Medi-Cal beneficiaries in the communities they serve, despite accounting for just 6% of the state's hospitals.

California's public health care systems are true systems of care, providing primary and specialty care services on top of emergency and inpatient services. They are the primary care provider to more than 550,000 Medi-Cal beneficiaries who gained coverage through the expansion, and provide 10.5 million outpatient visits each year.

A stable coverage landscape and a strong Medi-Cal program has allowed public health care systems to improve primary and preventive care in recent years. Since the outset of expansion efforts, California's public health care systems have assigned roughly 700,000 patients to primary care teams, and have added more than one million patients to disease management registries that help track and manage chronic conditions and reduce high cost utilization.

Cuts to the Medi-Cal program could reverse this progress, strain public health care systems' already-limited resources, and threaten the health and well-being of millions of patients.

1. DHCS - [DHCS AHCA Fiscal Analysis](#)
 2. KFF - [Medicaid Fact Sheet: California](#)
 3. DHCS - [Medi-Cal Monthly Fast Facts Nov. 2016](#)
 4. CAPH - [Impact of AHCA on Public Health Care Systems](#)