

IMPACT OF THE GRAHAM-CASSIDY BILL ON MEDI-CAL AND CALIFORNIA'S PUBLIC HEALTH CARE SYSTEMS

1. Graham-Cassidy would take almost twice as much funding from CA as the previous bills.

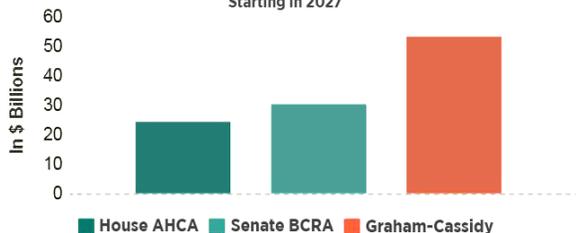
The Graham-Cassidy proposal would cost California an estimated **\$53.1 billion¹ per year starting in 2027**. It would strip all funding for the expansion of Medicaid (known as Medi-Cal in CA) and the state exchanges, and institute a per-capita cap on funding for the entire Medicaid program, regardless of what it actually costs to treat patients.

The State of California estimated that the House of Representatives' American Health Care Act (AHCA) would have cost the state \$24.3 billion² annually in 2027, and that the Senate's Better Care Reconciliation Act (BCRA) would have cost the state \$30.3 billion³.

Under the AHCA, California's public health care systems would have lost an estimated **\$2.2 billion in annual funding**. We anticipate that public health care systems' losses under the Graham-Cassidy proposal would be significantly worse.

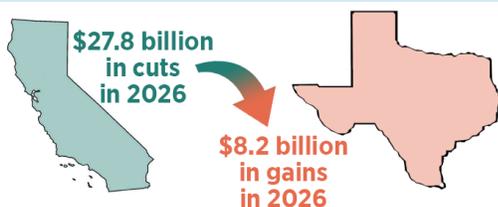
Block Grant + Per-Capita Cap Cost to California

Starting in 2027



2. Graham-Cassidy takes funding from California and redistributes it to non-expansion states.

Graham-Cassidy would cut all federal funding for the Medicaid expansion and the state exchanges in 2027. In the interim, funding that was designed to cover these programs would instead be block-granted and redistributed, using a formula that rewards states that did not expand their programs to cover more low-income individuals. **While California would lose an estimated \$27 billion in Medicaid funding in 2026, Texas would actually see its Medicaid funding increase by more than \$8 billion⁴.**



3. Graham-Cassidy could take coverage from 6.7 million Californians, including 1.3 million children.

By removing funding for the Medicaid expansion, this bill could take coverage away from an estimated **6.7 million Californians⁵**. This estimate includes more than 4 million Californians enrolled in the Medi-Cal expansion, 1.3 million who receive subsidized coverage through the exchange, 1.3 million children currently eligible for Medi-Cal through the Children's Health Insurance Program (CHIP), and 160,000 seniors and people with disabilities.

4. Graham-Cassidy rolls back progress in reducing the cost of health care.

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%)⁶ and per-enrollee spending 21% lower⁷ than the U.S. average. **Since the expansion, per-enrollee spending in the Medi-Cal program has decreased by 9.2%.**

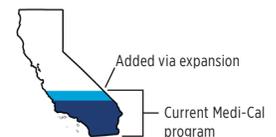
Graham-Cassidy's drastic cuts would result in providers seeing sicker patients with costlier conditions, as limits on enrollment, benefits, and payment rates would make it harder for patients to receive the care they need.

5. Graham-Cassidy would limit the ability of providers to help the State pay for the Medi-Cal program.

Right now, health care providers in California pay a "provider fee," which the State uses to help fund Medi-Cal and receive matching funds from the federal government. **The Graham-Cassidy proposal would restrict providers' ability to participate, creating another enormous funding hole and potentially restricting access to care.**

Medi-Cal keeps Californians healthy.

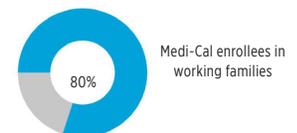
Medi-Cal covers roughly 13.5 million⁸ Californians, nearly 1/3rd of the state. This includes 3.7 million people who became eligible for Medi-Cal through the expansion in 2014.



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, wait staff, and others who are vital to California's economy.



California's public health care systems play a large role in caring for the state's Medi-Cal patients and would be disproportionately affected by the Graham/Cassidy proposal.

Public health care systems operate in the 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. They are the primary care provider to more than 550,000 who gained coverage through the expansion, operate half of the state's top-level burn and trauma centers, train more than half of the state's new doctors, and employ more than 75,000 individuals.

1. DHCS: Graham-Cassidy Analysis
2. DHCS: AHCA Fiscal Analysis
3. DHCS: BCRA Fiscal Analysis
4. CBPP: Graham-Cassidy Analysis

5. UC Berkeley Labor Center
6. Kaiser Family Foundation: Medicaid Fact Sheet, CA
7. CHCF: California Health Care Spending
8. DHCS: Medi-Cal Monthly Fast Facts Nov. 2016