Proposed Medicaid Rule Could Dismantle California's Health Care Safety Net

The proposed **Medicaid Fiscal Accountability Regulation (MFAR)** could severely limit how states may pay for their Medicaid programs, jeopardizing the stability of California's public health care systems. If the rule takes effect, our state may face the untenable choice of significantly increasing taxes or experiencing:

- **A massive state budget crisis;**
- **An upending of our state Medicaid program (Medi-Cal); and**
- **The loss of access to care for millions of low-income Californians.**

MFAR's Impact on California's Public Health Care Systems

Over 1 million patients could lose access to care

Several public health care systems could be forced to close their doors altogether

Thousands of hospital beds may no longer be available

Several trauma and burn centers, and teaching hospitals, could close

MFAR's new restrictions on Medicaid financing challenge longstanding CMS policy and Congressional intent, and would:

- **Restrict states' flexibility to locally finance** and design their Medicaid program and best serve the needs of their residents
- **Limit supplemental payments,** which help offset the costs of providing care for the uninsured and lower-than-cost Medicaid reimbursements
- **Cause confusion for states and providers** on how they will be regulated due to a lack of established and clear standards
- **Increase administrative burdens** on already stressed federal and state agencies, delaying the approval of much needed Medicaid programs
- **Leave millions of Californians without access to care** and thousands of persons in the health care workforce without employement

California's public health care systems urge CMS to rescind this harmful proposal so they can continue to provide patients with access to high-quality care, and maintain their mission to serve their communities.