

CALIFORNIA'S PUBLIC HEALTH CARE SYSTEMS: 17 Systems, 40 Hospitals & 150+ Clinics



Alameda Health System

- Alameda Hospital
- San Leandro Hospital
- Wilma Chan Highland Hospital
- St. Rose Hospital

Arrowhead Regional Medical Center

Contra Costa Health Services

- Contra Costa Regional Medical Center

Kern Medical

- Kern Medical Hospital

LA County Department of Health Services

- Harbor/UCLA Medical Center
- Los Angeles General Medical Center
- Olive View/UCLA Medical Center
- Rancho Los Amigos National Rehabilitation Center

Natividad Medical Center

Riverside University Health System

San Francisco Department of Public Health

- Zuckerberg San Francisco General
- Laguna Honda Hospital and Rehabilitation Center

San Joaquin General Hospital

San Mateo Medical Center

County of Santa Clara Health System

- O'Connor Hospital
- Santa Clara Valley Medical Center
- St. Louise Regional Hospital

Ventura County Health Care Agency

- Santa Paula Hospital
- Ventura County Medical Center

UC Health

- **UC Davis Health**
 - UC Davis Sacramento Medical Center
- **UC Irvine Health**
 - UC Irvine Medical Center
 - UC Irvine Health, Fountain Valley
 - UC Irvine Health, Lakewood
 - UC Irvine Health, Los Alamitos
 - UC Irvine Health, Placentia
- **UC San Diego Health**
 - UC San Diego Medical Center
 - UC San Diego Health, Hillcrest Medical Center
 - UC San Diego Health, Jacobs Medical Center
- **UC San Francisco Health**
 - UCSF Medical Center
 - UCSF Mission Bay Medical Center
 - UCSF Parnassus Medical Center
 - UCSF Mount Zion Medical Center
 - UCSF Benioff Children's Hospital, Oakland
 - UCSF Health Saint Francis Hospital
 - UCSF Health Saint Mary's Hospital

UCLA Health

- Ronald Reagan UCLA Medical Center
- UCLA Santa Monica Medical Center and Orthopedic Hospital
- UCLA West Valley Medical Center

Objectives

1. Contextualize Individual/Local Concerns with Federal, State Perspectives
2. Provide Updates on Budget Reconciliation
3. Answer Questions

Four Major Arenas of Activity

1. Appropriations – Continuing Resolution passed through Sept. 30, 2025
2. ***Budget Reconciliation***
3. Executive Actions
4. State-Level Potential Threats

2. Budget Reconciliation, cont'd

How Big Will the Medicaid Cuts Be?

- House-passed budget resolution instructs the Energy & Commerce Committee to find \$880B in savings – impossible to do without cutting Medicaid if protecting Medicare and Social Security
- Senate now has two options:
 1. Take the House-passed budget resolution & amend it, or
 2. Start from scratch
- 1. Then goes back to the House, then Committees can get to work drafting actual language
- Narrow tightrope for the Senate to walk, given the two-vote margin in the House:
 - Moderates – protect Medicaid
 - Freedom Caucus: Medicaid expansions (federal \$) must be rolled back

2. Budget Reconciliation, cont'd

That's If They Follow the Rules...

- Latest rumor is that each chamber passes their own resolution & then there's a "conference" committee that makes the hard choices
 - Reflection of how challenging this is
 - Would be a major betrayal for the moderate Republicans
 - Committee composition likely Reps

2. Budget Reconciliation, cont'd

Timing

- Goal is for the House and Senate to have both adopted a consensus budget resolution by the end of the second week of April.
- Speaker Johnson saying that he wants to have a finished reconciliation bill on the President's desk by Memorial Day.
- A lot of skepticism about that timing. Could go to August recess or into the fall
- Debt ceiling could also impact timing (and ultimate result)

2. Budget Reconciliation, cont'd

The Spaghetti Strategy – What Might Stick?

Their goal is to label proposals as either “waste, fraud and abuse” or “reforms” – not cuts

What's On the Table/“Wall” This Week:

- **State Directed Payments (SDPs)**
 - Limiting them from the Average Commercial Rate to Medicare
 - California's SDPs include the Enhanced Payment Program & the Quality Incentive Pool
- **Provider Taxes**
 - Lowering the hold harmless threshold from 6 percent to 5.5 percent
 - CBO scored this to 5% = \$48B
 - Every state except Alaska has a provider fee. California's is ~\$5B (and is already at 5.05%)

2. Budget Reconciliation, cont'd

- **Lowering the FMAP for States that cover the undocumented**
- **Per Capita Cap on Expansion Population**
- **Work requirements**
 - Would save roughly \$100B due to declining enrollment... but potentially a greater “budget number”
- **Repealing Biden-era regulations**
 - Minimum staffing for nursing homes (\$22B)
 - Others (e.g., Medicaid eligibility rule, access rule, managed care rule) – savings would on which provisions would be repealed and when the repeal would take effect.
- **Prevention and Public Health Fund**
 - Not a Medicaid cut but has been floated before
 - Savings < \$20B

2. Budget Reconciliation, cont'd

The Strategy:

- 1. Educate & Explain** How each proposal is a CUT: if it wasn't, it wouldn't generate savings
- 2. Target Republicans in districts with high Medicaid populations to emphasize local impact**
 - Rep. David Valadao (CA-22), Kern Medical in district
 - Rep. Ken Calvert (CA-41), Riverside University Health System in district
 - Rep. Jay Obernolte (CA-23), Arrowhead Regional Medical Center & Los Angeles Department of Health System facilities in district
 - Rep. Vince Fong (CA-20), Kern Medical facilities in district
 - Rep. Young Kim (CA-40), UC Irvine Health in district
- 3. Strengthen partnerships with other (red) state Medicaid partners**

2. Budget Reconciliation, cont'd

What's going to happen?!?!

Very fluid and hard to predict, but three broad possible scenarios:

- 1. Worst case:** Moderates get rolled and we experience severe cuts.
 - Could happen even if they use the “current baseline policy”
 - Potentially more likely if debt ceiling rolled into the discussion; hawks could demand additional savings
- 2. Middle:** Medicaid cuts included, but either
 - Don't take effect for 4-5 years, allowing us to live to fight another day – but the slower the phase-in, the lower the savings; or
 - Aren't a direct hit to PHS
- 3. Best:** The whole thing falls apart: too hard to thread the needle between the moderates and the hawks – due to complexity or voter response, affecting electeds

But that's just in the Congressional realm.

3. Executive Actions

Immediate:

- Immigration, Gender-Affirming Care, NIH grants, DEI grants, HRSNs (aka SDoH, aka CalAIM)
- DOGE & Potential Impact on CMS Workforce/Capacity, which could slow impact reviews/approvals of SPAs, pre-prints

December 2026:

- 1115 waiver that includes the GPP expires
 - Full loss of Safety Net Care Pool (\$236M/year and likely at least half of the Medicaid DSH (\$1.2B, so half = \$600M)
 - For CCHS, SNCP = \$8.8M/yr, DSH = \$44.5M/year, so likely a reduction of at least \$30M

At Any Time:

- Rescind managed care rule, impose other limits on Medicaid supplemental funding
- Have already announced elimination of public comments to regulations

At the State Level...

- **Newsom Administration seeking to borrow \$6.2B to cover Medi-Cal costs**
- **Signal: Medi-Cal cuts in the May Revise**
 - Rollback of undocumented coverage?
 - Other eligibility, services?
- **More to learn; advocacy**
 - Potential impact to county indigent programs
 - Exploration of narrower coverage options

Four Pieces of Advice

1. **Respond to what we know** (vs what we fear/anticipate)
 - Try to avoid modeling out the latest rumor
2. **Avoid rose-colored glasses**



Our Advice, Cont'd

3. **Stay current** (without spinning...)

- Things moving quickly!

4. **Engage in relentless advocacy!**

- Patient stories
- In targeted districts, as many touch points as possible