

# Time Running Short to Protect Californians' Health Care

Policymakers have small window before “perfect storm” decimates health services in California

The lifesaving and life-changing health care Californians rely on is at grave risk. Federal Medicaid cuts, state restrictions on spending for health care services, and millions about to lose health care coverage are pushing an already fragile system to the very edge.

## The health care toll so far in California

California's health care system is diminishing in real time, as hospitals are forced to cut services, reduce staff, or close altogether.

 **9** hospitals closed since 2020, with an additional 16 requiring the state's help to remain open

 **3,500** health care layoffs in 2025 alone

 **40** maternity units closed since 2020

 **12** counties in California with no hospital maternity services

## A diminished health care system looms

Over the next five years, even cautious projections show that federal cuts and Office of Health Care Affordability (OHCA) policies will devastate California's health care system:

### FEDERAL CUTS

  
**\$16 billion**  
in lost federal resources to care for patients

  
Nearly  
**2 million**  
fewer people with health coverage

### OHCA

  
**\$40 billion**  
Stripped from patient care

  
**80%**  
of hospitals operating in the red

## What's Needed

The outlook for California's hospitals — and the patients they care for — is grim. Without federal and state action, many more hospitals will be at significant risk of closure in the next several years, with up to a million additional Californians living in a hospital desert.

- **At the federal level**, policymakers must approve California's pending Medicaid financing proposal, protect funding, reject site-neutral cuts to hospitals, preserve the 340B Drug Pricing Program, and prevent people from losing their health coverage.
- **At the state level**, to protect access to care, policymakers should examine reforms to the Office of Health Care Affordability, provide financial relief to rural and other vulnerable hospitals, analyze the real cost to the health care system of legislative proposals, and consider regulatory reforms that reduce costs for all.