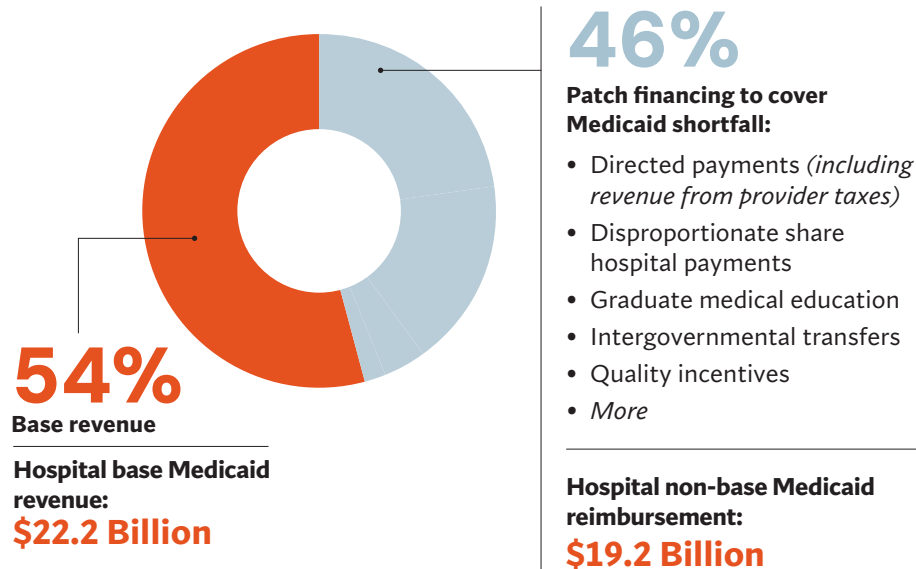


California Medicaid Relies on a Variety of Funding Sources – ANY Cuts Would Be Devastating for Patients

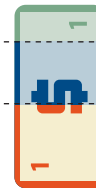
How Medicaid pays for health care

Medicaid reimburses providers through base rates (standard payments for health services) and a patchwork of more than 20 other payment programs including directed payments (funded by provider taxes).

Cuts to non-base reimbursement would have the same effect as cuts to base rates: health care services lost, hospitals closed, and Californians in jeopardy.



Taking all reimbursement into account, Medicaid pays just **80 cents for every dollar** it costs to care for patients; if non-base reimbursement went away, that would drop to an unsustainable **45 cents on the dollar**.



All Medicaid: **80 cents for every dollar**

Without non-base payments: **45 cents for every dollar**

By the numbers: The impact of cuts

A cut of just 10% to non-base Medicaid payments is the equivalent of removing:

- **14,000 nurses** from California's hospitals
- **1,300 MRI machines** from California
- **5,600 surgeons** from operating rooms

Myths v. Facts

Myth: Provider taxes abuse the Medicaid system.

Fact: Provider taxes are not wasteful, nor are they an abuse of the Medicaid system. They are the product of a longstanding and audited partnership between state and federal governments.

Myth: Non-base payments are excessive and unnecessary.

Fact: Non-base reimbursement represents nearly half of all hospital Medicaid revenue and is vital to ensuring access to health care services.

Myth: Provider taxes are unusual.

Fact: These taxes are part of 49 state Medicaid programs.

Myth: Provider taxes are how states freelance within the Medicaid system.

Fact: These taxes are rigorously reviewed by the Centers for Medicare & Medicaid Services.

Myth: Non-base payments are a new way to fund Medicaid.

Fact: A variety of non-base Medicaid payment programs have been created over decades to mitigate the extreme shortfall in Medicaid reimbursement compared to the cost of providing health care services.

Protect Medicaid

In the race to find federal budget savings, lawmakers should not target Medicaid reimbursement — no matter what form it comes. Patients, hospitals, and California as a whole simply cannot sustain this loss.