



April 17, 2025

Dear Members of Orange County's Delegation to the United States Congress:

As the representatives of Orange County's safety net health care system that provides coverage and services to more than 915,000 Medicaid beneficiaries, we are writing to emphasize the critical importance of the Medicaid program to the health of one-third of Orange County residents — including 41% of children — and our local economy. California's Medicaid program, known as Medi-Cal, is crucial to low-income populations, including seniors, individuals with disabilities, children and working families. They depend on the support of the federal government to keep this program stable and ensure that they receive necessary health care. We urge you to support the program and maintain its stability.

Cuts to Medicaid that are currently being contemplated in Congress would negatively impact millions of vulnerable Californians who will lose access to critical health care services, including primary care providers and specialists, and will be unable to fill prescriptions that are necessary to treat chronic illnesses. More people will turn to emergency rooms as a last resort, resulting in overwhelmed hospitals and uncompensated care that increases health care costs for everyone. Ultimately, patients will be faced with lower quality care and negative health outcomes that keep them from working and living productive lives.

The impact of an underfunded Medicaid program goes beyond poorer access to care. The Medi-Cal program spends \$188 billion per year paying hospitals, clinics and doctors to treat Medicaid beneficiaries, generating well-paying jobs that economically benefit local communities. Unfortunately, low reimbursement rates for Medicaid providers have shifted costs onto other insurance markets, leading to increased premiums for Californians who purchase coverage through their employer or the individual market. Reduced federal support will make things worse by further increasing premiums and reducing local jobs as hospitals, provider practices and community health centers are put under additional strain.

Specific threats to provider taxes are equally concerning, as any restrictions on those financing mechanisms will harm efforts to address low provider rates and impair access to care. Just this past November, Californians overwhelmingly approved Proposition 35 on a bipartisan basis — including 65% of Orange County voters — to permanently enshrine the Managed Care Organization provider tax into state law with strict funding allocations to a wide range of Medi-Cal providers.

Medicaid is vital to the health, well-being and economy of Orange County — the nation’s sixth most populous county. We urge you to support the Medicaid program and oppose any proposals that would destabilize it.

Sincerely,

CalOptima Health

County of Orange Health Care Agency

County of Orange Social Services Agency

First 5 Orange County (Children & Families Commission of Orange County)

Hospital Association of Southern California

Orange County Medical Association

The Coalition of Orange County Community Health Centers