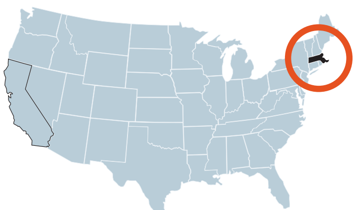
OHCA Cuts Don't Make Health Care Affordable — They Just Hurt Patients

The Office of Health Care Affordability's (OHCA's) efforts are modeled after other states, including Massachusetts. **What happened there is a cautionary tale for California.**



In December 2024, a Massachusetts government affordability panel said the first health care system penalized under its program — Mass General Brigham — had "successfully completed" a performance improvement plan, "saving" $197 million.

Two months later, the health care giant announced the **largest layoffs in its history** — intended to address a nearly **$250 million budget shortfall.**

California will soon face similar unintended consequences — and **ultimately, patients will pay the price.**

WHAT'S HAPPENING

OHCA has imposed a below-cost spending cap on all hospitals – and even deeper cuts for some.

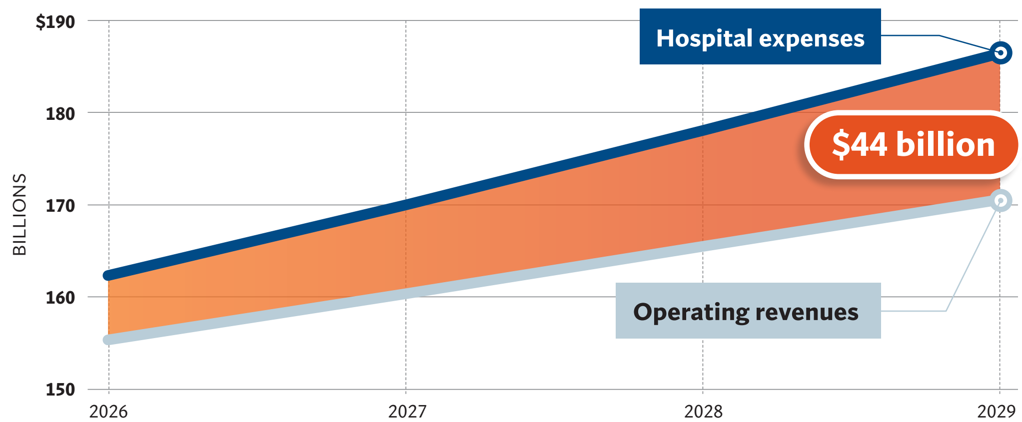
The cap does not consider skyrocketing drug prices, workforce shortages, and heightened inflation — or the impact on patients' access to high-quality care.

Worse, OHCA cannot ensure that any "savings" generated are actually passed along to consumers, instead of pocketed by commercial insurance companies.

WHAT'S AT STAKE

Spending caps less than inflation are ***de facto* cuts.**

$44 billion shortfall in resources for patient care over the next four years



Source: HCAI Annual Financial Disclosures Report; Expenses are projected using recent trends, while revenues are projected based on OHCA's proposed hospital sector spending targets.

THE RESULT

300+ hospitals operating in the red

10,000+ fewer stable, high-paying hospital jobs

Elimination of vital services, like labor & delivery, psychiatric services, and cancer care

California Hospital Association