



May 14, 2025

SUBJECT: Energy and Commerce Committee Medicaid Proposals

Dear members of California’s congressional delegation,

On behalf of more than 400 hospitals in California that provide health care every day of the year for every Californian, please vote NO on the proposed 2026 budget reconciliation proposal.

The health care cuts included in the proposed budget represent an existential threat to hospitals, health care, and jobs in California — and, ultimately, the lives and livelihoods of the people who trusted each of you to protect them when choosing you as their representative.

The proposed cuts to Medicaid total \$715 billion, an amount well above initial expectations for the Energy and Commerce Committee and which threatens those covered by Medicaid and the providers that care for them. For California this will mean a loss of tens of billions of dollars over the next decade. And with the majority of California hospitals already losing money every day to care for patients or barely scraping by above break-even, for many, this will be a death blow.

On paper, these cuts can be ascribed to the Medicaid program, but **when hospitals are forced to reduce services or close, that hurts everyone** — Medicare beneficiaries, Medicaid enrollees, veterans, and everyone with private health insurance.

This budget proposal punishes California especially hard. Freezing state-directed payments and freezing provider tax levels will cement the problems that these resources are intended to address:

- Limited access to care in rural areas
- Shortfalls in key services, such as primary care, emergency care, maternal and child health, and behavioral health care services
- At-risk critical access hospitals and children’s hospitals
- The need to improve quality related to well-care visits, prenatal and postpartum care, depression screening, and other prevention, wellness, and chronic disease management strategies
- Gaps in hospitals’ and health systems’ ability to provide 24/7 standby capacity to respond to natural disasters, mass casualty events, and other emergencies

California's representatives should not leave our state behind.

Make no mistake, these drastic Medicaid funding reductions mean the choices for hospitals, their patients, and their communities are all bad.

Sincerely,



Carmela Coyle
President & CEO
California Hospital Association