

May 1, 2025

The Honorable Mike Johnson
Speaker
United States House of Representatives
568 Cannon House Office Building
Washington, DC 20515

The Honorable John Thune
Majority Leader
United States Senate
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Brett Guthrie
Chair
House Energy & Commerce Committee
2161 Rayburn House Office Building
Washington, DC 20515

The Honorable Michael Crapo
Chair
Senate Finance Committee
239 Dirksen Senate Office Building
Washington, DC 20510

Re: Economic Harm of Medicaid Cuts

Dear Majority Leader Thune, Speaker Johnson, Chair Crapo, and Chair Guthrie:

As Los Angeles prepares to host major international events, including the 2026 World Cup, the 2027 Super Bowl, and the 2028 Olympics, we have a remarkable opportunity to showcase the best of America. These global stages not only highlight L.A.'s cultural and economic vibrancy but also underscore the essential role of a healthy workforce in ensuring their success.

California's economic strength depends on its workforce, and that workforce relies on access to healthcare. Ensuring access to Medicaid is not just a moral obligation—it is an economic imperative. Without it, we risk undermining the success of these landmark events and jeopardizing L.A.'s long-term future as a thriving global destination.

As leaders in Los Angeles County, we are deeply concerned about federal proposals to cut Medicaid funding and the devastating consequences these cuts would have on workers, the healthcare system, and our economy. Current federal proposals could strip California of \$10 billion to \$20 billion in annual Medicaid funding. If enacted, the state would be forced to significantly reduce Medicaid coverage, benefits, and provider reimbursements.

Any reductions could eliminate coverage from many who currently rely on Medi-Cal—California's Medicaid program. The impact would be especially severe as our region continues to recover from recent wildfires, which have displaced families, worsened air quality, increased demand for behavioral health support, and deepened an already pressing budget crisis. These proposed changes directly threaten the health and stability of the very workers who power L.A.'s economy, from hospitality and transportation to retail and event services. Many of these workers depend on Medi-Cal to maintain their health and continue driving the industries that sustain Los Angeles.

Medi-Cal provides essential healthcare coverage to 15 million Californians, including nearly one in five workers in the state. Among working adults aged 19–64, the program covers 35% of those in restaurant and food services, 21% in construction, and 26% in retail. Many of these individuals hold low-wage or part-time jobs for employers who are not able to offer health benefits, making Medi-Cal their only source of healthcare. These workers are not only crucial to our wildfire recovery efforts but are also essential to the success of L.A.’s upcoming global events. Their well-being directly impacts our regional economy, and any reduction in Medicaid funding would jeopardize their health, our workforce, and our economic stability.

Beyond the workforce, our county’s fragile healthcare delivery system and overall economy are at stake. Medi-Cal supports nearly 800,000 healthcare-related jobs in L.A. County alone, including 122,000 in hospitals and 315,000 in ambulatory care, nursing homes, and other facilities. Slashing Medicaid funding would likely lead to widespread layoffs, hospital closures, and service reductions—particularly in safety net hospitals, community health centers, and community hospitals—further destabilizing local economies and worsening workforce shortages in an already strained healthcare system. Additionally, uncompensated care costs would rise, leading hospitals and other providers to shift expenses to commercial insurers, resulting in higher premiums and out-of-pocket costs for everyone.

Medicaid is more than an economic driver: it is a lifeline and a vital safety net for children, seniors, individuals with disabilities, and low-income families. In California, the program provides coverage to one in three residents—approximately 15 million people—including four million, or 41%, of Los Angeles County residents. Behind every statistic is a person who deserves dignity, respect, and access to healthcare.

Medicaid is also one of the most effective tools for reducing poverty, fostering economic mobility across generations—driving higher levels of educational attainment, higher paying jobs and associated tax contributions—and strengthening families and communities in the process.

The facts are clear: a strong Medicaid program creates jobs, strengthens families, and drives economic growth. Following the Affordable Care Act’s Medicaid expansion, California’s uninsured rate declined significantly, benefiting individuals, families, healthcare providers and the economy. Polling consistently shows Medicaid enjoys broad, bipartisan support, with 77% of Americans—including 63% of Republicans and 87% of Democrats—holding a favorable opinion of the program.

We urge Congress to reject any proposals that weaken Medicaid and instead collaborate with us to strengthen it. A thriving economy relies on a healthy workforce, and Medicaid is essential to that success. We stand ready to work with policymakers to protect this vital program and uphold our shared commitment to economic opportunity and community well-being.

If you would like any more information, please feel free to reach out to L.A. Care Health Plan, CEO Martha Santana-Chin, at (213) 631-1574 or by email at msantana-chin@lacare.org.

Sincerely,

- The Honorable Karen Bass, Mayor of Los Angeles
- The Honorable Hilda L. Solis, First District Supervisor and Chair Pro Tem, Los Angeles County Board of Supervisors
- AltaMed
- Blue Shield of California
- California Building Industry Association
- Community Clinic Association of Los Angeles County
- Cedars-Sinai
- Greater Los Angeles African American Chamber of Commerce
- Hospital Association of Southern California
- Huntington Health
- Inland Empire Economic Partnership
- JWCH Institute, Inc.
- Keck Medicine of USC
- L.A. Care Health Plan
- Los Angeles Area Chamber of Commerce
- Los Angeles County Economic Development Corporation
- Los Angeles Latino Chamber of Commerce
- Los Angeles County Medical Association
- Providence
- Southern California Leadership Council

cc: Los Angeles County Congressional Delegation

