



May 13, 2025

Martha Santana-Chin
Chief Executive Officer

The Honorable Brett Guthrie
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
2322A Rayburn House Office Building
Washington, DC 20515

Medicaid stands as a cornerstone of the American safety-net system, providing vital health coverage to 78.5 million Americans – including 15 million Californians. This program represents our nation's commitment to supporting families, protecting workers, and ensuring healthier communities overall.

L.A. Care is the nation's largest publicly operated Medicaid managed care plan operating directly in the community we serve, ensuring that our nearly 2.7 million members have access to the vital health care services from a provider network that is fairly reimbursed for the care they provide. As the local health plan based in LA County, we are community-based, locally governed and publicly accountable. As you consider budget reconciliation measures, we strongly urge you to safeguard Medicaid from significant funding reductions. While we support initiatives to enhance program efficiency, we are deeply concerned that proposed policy changes and cuts would result in coverage losses for some of our most vulnerable neighbors, increase uncompensated care burdens, deteriorate health outcomes for working families, and cause severe economic damage to the communities we serve.

The House Energy and Commerce Committee's proposed mark-ups released this week would cut an estimated \$912 billion in spending – exceeding their \$880 billion target – with \$715 billion coming from Medicaid, Medicare, and health care marketplaces. Cuts of this magnitude will result in widespread loss of healthcare access, destabilize safety net systems, and negatively impact state economies. The Committee's Medicaid reduction proposals include a 10% penalty for states offering coverage to income-eligible undocumented residents, provider tax cuts, new work requirements (called community engagement), and cost-sharing burdens for individuals earning as little as \$15,560 annually.

Before Congress acts on these measures, our Representatives must have a comprehensive analysis of how these proposed reductions would affect each state and the health and economic consequences nationwide. In California alone, preliminary estimates indicate the proposal would result in cuts of \$10 to \$20 billion on a yearly basis and approximately \$90-100 billion in cuts over the next decade. This magnitude of reduced federal funding will lead to fewer Californians with health care coverage, significantly reduced access to primary care, overreliance on more expensive emergency room care, negative impacts on health outcomes in local communities, and harmful effects to California health care providers and the healthcare system overall. The ripple effects of these cuts will be felt across the state in our local communities.

As you deliberate on Medicaid funding, we emphasize these essential benefits:

Medicaid Strengthens Our Workforce and Economy One in five American workers relies on Medicaid coverage, enabling them to continue being healthy, productive members of society. These hard-working Americans serve in restaurants, retail establishments, construction sites, and countless other sectors. In California, which supports one of the largest economies in the nation, nearly one in three workers in sectors such as agriculture and restaurants rely on Medicaid for coverage. With reliable healthcare access, they can focus on their work without the shadow of medical bankruptcy or untreated illness.

A healthy workforce misses fewer workdays, maintains higher productivity, and contributes more substantially to our national prosperity.

Medicaid Builds Strong American Families Our nation's foundation rests on the strength of our families. Medicaid provides essential coverage to millions of children, moms, seniors, working families, and individuals with disabilities. Nearly half of all Medicaid enrollees are children ages 0-18. These approximately 37 million Americans receive the preventive care and medical treatment necessary for developing into healthy, productive citizens. California is no exception to this, as a significant number of working families in our state rely on Medicaid for essential health services. Over 8 in 10 (82%) of California Medicaid members reported being in a working family.

When parents have reliable healthcare, they don't have to worry about missing work or losing a job due to poor health, allowing them to meet their family responsibilities. Regular preventive care and chronic condition management keeps Americans across generations healthy and productive, upholding our national commitment to family values and inclusive care.

Medicaid Sustains America's Healthcare Infrastructure The Medicaid program supports hundreds of thousands of health care professionals and facilities nationwide. Los Angeles County alone supports 787,300 jobs in the healthcare sector, making it one of the most common sources of employment in the county. Rural hospitals and community clinics especially depend on Medicaid to continue serving communities that would otherwise lack medical access. Without funding from Medicaid, these hospitals and clinics would be at risk of closure, greatly increasing the risk of reduced services and facility closures for our most vulnerable communities.

By ensuring consistent patient flow and reliable payment, Medicaid helps maintain our healthcare infrastructure from coast-to-coast.

Medicaid: A Shield Against America's Uninsured Crisis

Prior to Medicaid expansion, our nation faced a healthcare access emergency: millions of hard-working Americans went without basic health coverage, leading to devastating personal financial collapses and emergency rooms functioning as primary care providers. The ripple effects strained our entire healthcare ecosystem as hospitals absorbed billions in unpaid care costs, resulting in higher premiums for consumers as hospitals charged higher rates to commercial insurance plans.

Today's expanded Medicaid program has transformed this landscape, creating a safety net that protects both American families and health care providers. As a result of this expansion, we now see communities where preventive care has replaced emergency intervention, where medical bills no longer trigger household bankruptcies, and where hospitals stand on firmer financial ground. This remarkable turnaround represents effective governance addressing real-world challenges: a healthcare solution that strengthens both individual Americans and the institutions that serve them.

Medicaid Delivers Exceptional Value

In an era demanding fiscal restraint, Medicaid demonstrates government effectiveness – delivering comprehensive health care while saving American taxpayers substantially.

This remarkable efficiency hasn't gone unnoticed. Three-quarters of American voters across political divides recognize Medicaid's value proposition and support its continuation. They understand what detailed analyses have consistently shown: investments in Medicaid strengthen our economic foundation, enhance workforce productivity, preserve family stability, and maintain critical healthcare infrastructure.

A budget is not just balancing numbers; it is a statement of values. As you navigate difficult budgetary decisions, we ask you to recognize Medicaid not as a mere expenditure but as a strategic investment in America's human capital and infrastructure. The program's demonstrated record of efficiency, support among American voters, combined with its measurable impacts on our healthcare system and economy, makes a compelling case for its protection. America prospers when its people are healthy enough to work, when families avoid financial collapse from medical events, and when our healthcare facilities remain viable in every community – outcomes that depend on Medicaid's continued strength.

Sincerely,

A handwritten signature in cursive script, reading "Martha Santana-Chin".

Martha Santana-Chin
Chief Executive Officer

cc: Speaker Mike Johnson
Democratic Leader Hakeem Jeffries
California Los Angeles County Delegation Members