



Via Email

July 1, 2025

The Honorable Mike Johnson, Speaker of the House  
The Honorable Hakeem Jefferies, Minority Leader

Dear Speaker Johnson and Minority Leader Jefferies:

The Central Coast Health Coalition (the Coalition) is a group of over 20 local government, provider, and community organizations in San Luis Obispo and Santa Barbara counties dedicated to uniting healthcare, business, and community partners to protect access to critical health and social services. **We are writing today, in partnership with Ventura County, to urge you to protect Medicaid** (Medi-Cal in California) and the access to care that it ensures over 484,000 people in our tri-county region.

As the House considers the bill as passed by the Senate, the Coalition remains deeply concerned about potential Medicaid impacts which would destabilize the healthcare delivery system in our area, significantly impacting hospitals, providers, and small businesses. Specifically, we urge our Senate leaders to consider the following:

1. **The impact to hospitals if provider taxes are reduced or eliminated.** Hospitals in our region serve a disproportionately high number of Medicaid patients and are among the largest employers in their communities. Funding cuts could force them to reduce services, eliminate critical programs—such as maternal and child health services and 24/7 emergency care—or even lay off staff. Some facilities may even need to close, forcing thousands of people to travel hundreds of miles to access critical care. Hospitals serve all members of our community, whether publicly insured, privately insured, or uninsured. Under the proposed language, the tri-County region of Ventura, Santa Barbara, and San Luis Obispo would lose **\$638M** in revenue over 10 years. Reductions in hospital services because of reduced federal funding would impact everyone.
2. **The impact of accelerated Community Engagement requirements on our county Social Services Departments, on small community-based organizations, and on those people who depend on Medicaid for access to health care.** The Coalition understands the intent of economic self-sufficiency, and recognizes that nationally, 92 percent of non-disabled

adults under age 65 on Medicaid are in fact already working, in school, or have a condition which would preclude them from such activities.<sup>1</sup> Given these facts, it is not the concept of community engagement requirements to which we object; rather, it is the *accelerated and costly implementation* of such requirements which we strongly urge you to reconsider.

As we've seen in states like Arkansas and Georgia who piloted such requirements, the impacts – loss of coverage for thousands of people, and an unsustainable cost of administering such requirements laid on the shoulders of local government and community organizations – were incongruous with the intent of the legislation. Those who lost coverage found themselves uninsured largely due to administrative barriers with completing work requirement verifications, not because of an inability to meet the requirement itself. *Accelerated implementation of Community Engagement requirements (now proposed to take effect in 2026, rather than 2029) without time for appropriate preparation by states would greatly increase the risk of widespread coverage disruptions.*

3. **The destabilization of the healthcare delivery system and the economy on the Central Coast.** In addition to the impact on hospitals and providers if Medicaid funding were to be reduced, the Coalition recognizes that Medicaid is also the insurer for many small businesses and their employees working lower-wage jobs. Access to affordable health care coverage for the 242,000 people whom Medicaid covers in our region helps to ensure access to preventive care, decrease the likelihood of absenteeism, and promote a healthy and sustainable workforce driving economic stability in our communities. Reductions in Medicaid funding or eligibility which would impact coverage for low-income employees would destabilize our healthcare system and our local economy. Under the proposed language, an estimated **38,000** community members would lose health insurance coverage, resulting in over **\$200M** in uncompensated care costs to local hospitals. *Preserving Medicaid funding is not just a health care priority—it is an economic necessity.*

We understand the challenges faced by the Senate through the budget reconciliation process and the needle that must be threaded across the bill's many components. We respectfully urge Congress to protect Medicaid by opposing changes to provider taxes, extending the timeframe in which Community Engagement requirements would become effective, and considering the devastating impact to the healthcare delivery system and our economy should Medicaid funding be reduced. **Please protect Medicaid and work with us to ensure that all individuals have access to the care they need to live healthy, productive lives.**

Thank you for your concern for this important issue and support for a shared vision of optimal care for the Central Coast through the Medicaid program. If you would like any more information, please feel free to reach out to CenCal Health CEO Marina Owen, at (805) 685-9525, ext. 1013, or by email at [mowen@cencalhealth.org](mailto:mowen@cencalhealth.org) or Gold Coast Health Plan CEO Dr. Felix Nuñez, at (805) 437-5852, or by email at [fnunez@goldchp.org](mailto:fnunez@goldchp.org).

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<sup>1</sup> <https://www.kff.org/medicaid/issue-brief/5-key-facts-about-medicaid-work-requirements/>

Sincerely,

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