



Proposed Medicaid Cuts Increase Costs to Californians

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CCRBH Urges Congress to Maintain Critical Behavioral Health Services

Sweeping reductions in Medicaid funding being considered by Congress would have devastating impacts on California's behavioral health care continuum, resulting in higher financial costs to individuals, families and local communities as services, clinics, and hospitals close and uninsured individuals lose access to providers and medication, and instead access high-cost systems only when in crisis, increasing use of crisis services, hospitalization and incarceration. The impact would touch nearly every household in California, with devastating consequences to local communities throughout the state, including:

Facility Closures

- **California hospitals** could lose \$1.2 billion due to proposed cuts. Many small and rural hospitals are already financially stressed and some are at significant risk of financial failure. Funding for 16 hospitals would be in jeopardy without continued support from Medi-Cal.¹
- **Community Health Centers:** Slashing essential Medi-Cal funding would destabilize community health centers, forcing cutbacks in health services, staffing reductions and even potential closures of health centers. California's over 1,300 non-profit community health centers provide 24 million patient visits per year for anyone who needs care.²

Jails & Prisons

- Medi-Cal jail in-reach services prevent individuals with mental health conditions from deteriorating in the community when they are released, reducing the commission of new crimes. These services are at risk.

¹ [CA Hospital Association: District-Specific Data](#) (Scroll Down to view); [California District 22 \(Valadao\)](#), [California District 40 \(Kim\)](#); [California District 41 \(Calvert\)](#).

² [CA Primary Care Association](#): More than 67% of California's health center patients are covered by Medi-Cal. About 40% of patients present with mental health issues. Health centers are often the only health care provider in many communities, particularly disadvantaged and rural communities.

- Increased costs associated with incarceration will impact state and local budgets: Prison costs \$133,110 per person per year³; County jail costs apprx. \$89,580 per person per year in L.A. County⁴
- 80% of those incarcerated in CA jails and prisons have Substance Use Disorder (SUD) (General population percentage in CA is 9.2%); 36% of those incarcerated in CA jails and prisons have a mental illness. (General population percentage in CA is 15.9%)⁵

Millions will Lose Coverage

- Over 15 million people in California are enrolled in Medicaid⁶, **including 2 in 5 people with a mental illness or substance use challenge** and 1 in 10 veterans. \$184 billion in Medi-Cal spending is budgeted for 2024-2025, including \$107 billion in federal funds. 29.7% of adults with mental illness receive Medi-Cal, about 10% have a serious mental illness like schizophrenia.
- **5 million children** in the state are enrolled in Medi-Cal and receive comprehensive health services, including mental health care. Medi-Cal supports school-based mental health services, outpatient and community-based care, and hospital services. Medicaid covers 28% of children in California with special health care needs and disabilities, including medical, behavioral health, and long term care for children with special health care needs and disabilities.

Substantive Increases in Suicide and Drug Overdoses could result since Medicaid is the single largest payer for mental health & substance use disorder (SUD) services.⁷ Most recent data:

- **Drug Overdoses:** Over 11,145 Californians died from drug overdoses from July 2023 - June 2024. Of those, 59% or nearly 6500 were related to fentanyl. Fentanyl was responsible for 1 in 5 deaths among 15 - 24 year olds in 2021.⁸
- **Burden of Suicide Deaths:**
 - The burden of suicide deaths in California increased from 3863 in 2012 to **4312 in 2022**.⁹
 - The most likely group to die by suicide are **white men over the age of 25**. The highest rate increase was for **Latinos** (35.6%) followed by **African Americans** (31.1%) in 2010-2019.
 - In 2018, 21 percent of suicides were among **older adults**, for a rate of 16.3 deaths per 100,000 Californians aged 65 and older, many covered by Medi-Cal.
 - Suicide was the second leading cause of death among **youth** in California 10-25 years of age between 2019-2021

³ CA Legislative Analysts Office, 2024 "[How Much Does It Cost To Incarcerate a Person?](#)"

⁴ [What Jails Cost: Cities](#), Vera Institute of Justice

⁵ [Council on Criminal Justice and Behavioral Health](#) Presentation, January 2024, Page 5

⁶ [The-Medicaid-Voter](#), Association for Community Affiliated Plans, 2024, Page 10

⁷ [Medicaid.gov](#)

⁸ [Drug Overdose Mortality by State: California](#), Centers for Disease Control and Prevention

⁹ [Suicide Mortality by State: California](#), Centers for Disease Control and Prevention

About CCBH

www.cabehavioralhealth.org

CCBH is a diverse, broad-based coalition of statewide associations and organizations who seek to improve the delivery of behavioral health care in California, with a focus on creating better access to care and assuring parity in the delivery of behavioral health services that is on par with other health care services. CCBH seeks to safeguard behavioral health care funding and to support budget decisions that strengthen the delivery of behavioral health services throughout California.