



April 22, 2025

RE: Protecting Healthcare and Workforce Development in the East Bay

Dear East Bay Congressional Delegation,

On behalf of the East Bay Leadership Council (EBLC), I am writing to express our deep concern regarding potential federal budget cuts that could significantly impact Medicaid, Medicare, and workforce development efforts in the East Bay and throughout California. As a leading public policy advocacy organization representing hundreds of employers across the East Bay, we understand the critical role these programs play in sustaining the economic vitality and quality of life in our region. Our members in the healthcare sector — including providers, public health leaders, and business community stakeholders — depend on these essential programs to serve our most vulnerable populations, maintain a stable healthcare infrastructure, and support a skilled workforce that drives economic growth. We strongly urge you to oppose any budget reductions that would put these vital services at risk.

Impact on Medicaid/Medi-Cal

We strongly urge you to oppose any cuts to Medicaid. Medi-Cal, California's Medicaid program, serves over 15 million Californians, accounting for nearly 38% of the state's population.¹ In the East Bay, nearly 30% of residents are enrolled in Medi-Cal.² This program is indispensable for low-income families, children, seniors, and individuals with disabilities here in our region. Budget cuts to Medicaid would have devastating consequences, including:

- Loss of Coverage for Millions: Medi-Cal covers approximately 50% of all children in California and is responsible for 40% of all births in the state.³ In the East Bay, nearly half of all youth under the age of 21 are enrolled in Medi-Cal.⁴ Any reduction in federal support would disproportionately impact these vulnerable groups, leading to increased uninsured rates and poorer health outcomes. Cuts to medical services, particularly in primary care, often result in individuals turning to emergency rooms for non-emergency care, as they are the only option for those without other access points to healthcare. This shift to emergency care not only drives up costs, but also strains the resources of hospitals, which are required to treat all patients regardless of their ability to pay. Ultimately, this creates a cycle of increased healthcare expenses for both individuals and the broader system.

- Threats to Healthcare Providers: The Federal Medical Assistance Percentage (FMAP) for Medi-Cal is set at 50%, the lowest level permitted by federal law.⁵ A decrease in FMAP would cut billions in federal support, placing severe financial strain on hospitals and clinics, particularly those serving high-need communities in the East Bay. Such reductions would directly threaten the financial stability of providers, forcing difficult decisions around cutting critical services, reducing staff, or even closing facilities altogether. This would severely limit access to care, especially for low-income families, seniors, people with disabilities, and children who rely on local providers for essential health services. Service reductions or facility closures would increase the burden on emergency rooms, delay routine and preventive care, and worsen health outcomes across the region. In addition to the risks posed by FMAP reductions, proposals to impose stringent work requirements could unfairly penalize vulnerable populations, including individuals with fluctuating employment, caregiving responsibilities, or health challenges that make consistent work difficult. These requirements could result in thousands losing access to life-saving coverage. Furthermore, conditioning federal Medicaid funding on restrictions related to reproductive care threatens to limit essential services for women and families, undermining both public health and individual autonomy. Collectively, these changes would exacerbate existing disparities and place additional strain on an already overburdened healthcare system.
- Impact on Medicare: Medicare provides healthcare coverage to approximately 6.6 million Californians, including 5 million Medicare-only beneficiaries and 1.6 million individuals who are dually eligible for both Medicare and Medi-Cal.⁶ Budget cuts would force hospitals and providers to reduce services or close facilities, making it more difficult for seniors to access timely medical care. This is especially concerning given California's rapidly growing aging population. Further, reducing Medicare reimbursements to providers would shift more costs onto beneficiaries, many of whom live on fixed incomes. Increased out-of-pocket expenses could discourage seniors from seeking necessary care, leading to delayed treatments and worsened health outcomes.

Impact on Workforce Development

A strong healthcare workforce is essential to maintaining quality care in the East Bay. Federal funding supports job training, education, and workforce development initiatives that prepare individuals for careers in healthcare and related fields. Budget cuts would:

- Reduce Training Programs: Many community colleges and healthcare institutions rely on federal grants to train nurses, medical assistants, and other healthcare professionals. Cuts would shrink the talent pipeline and exacerbate existing workforce

shortages. Notably, some of the University of California's nursing programs have an acceptance rate of just 1%, reflecting the limited capacity to train new nurses.⁷

- Weaken Economic Growth: Healthcare is one of the largest employment sectors in the East Bay. Reductions in funding for workforce programs could stifle job creation and limit opportunities for residents to enter high-demand fields, hindering overall economic development.
- Worsen Provider Shortages: California faces significant shortages of healthcare professionals, particularly in primary care and mental health services. Many areas in the state are designated as Health Professional Shortage Areas (HPSAs), specific geographic areas, populations, or facilities that have been identified as having shortages of healthcare providers in Primary care, Dental health, Mental health. Cutting workforce development funding would further limit the number of trained professionals available to meet the growing healthcare needs of our region. These shortages translate into longer wait times for appointments, reduced availability of specialized services, and increased reliance on overcrowded emergency departments for routine care. For patients in underserved communities, this can lead to delayed diagnoses, unmanaged chronic conditions, and overall poorer health outcomes. Sustained investments in workforce development are essential to ensure timely, equitable access to care for all Californians.

Our Request

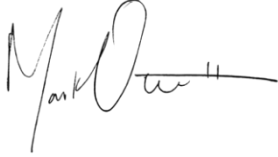
The East Bay Leadership Council urges you to protect federal funding for Medicaid/Medi-Cal, Medicare, and workforce development programs. These programs are essential to the health, well-being, and economic stability of our communities. We ask you to:

1. Oppose reductions to Medicaid/Medi-Cal and maintain the current FMAP funding levels to prevent coverage losses for millions of Californians. Ensure Medicare funding remains intact to protect seniors from increased healthcare costs and reduced provider access.
2. Support federal investment in workforce development initiatives to strengthen our healthcare workforce and sustain economic growth.

As the East Bay Leadership Council, we are deeply committed to advancing the health and well-being of our communities, and we stand ready to serve as a resource to you in navigating these complex issues. As conversations continue around potential cuts to essential services and programs at the federal level, we welcome the opportunity to provide local insights, data, and perspectives on how these decisions impact our region's healthcare access, workforce stability, and economic vitality. We value our partnership with you and are eager to collaborate to protect and strengthen the health infrastructure that so many East Bay residents rely on every day.

We appreciate your leadership and commitment to ensuring the well-being of Californians. We welcome the opportunity to discuss these issues further and look forward to working together to protect the programs that sustain our communities

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Orcutt", with a long horizontal flourish extending to the right.

Mark Orcutt
President & CEO
East Bay Leadership Council

CC: **Congressman Mark DeSaulnier**
 Congressman Eric Swalwell
 Congresswoman Lateefah Simon
 Congressman Ro Khanna
 Congressman John Garamendi