Medicaid covers more than 75 million people in the United States — that’s 24 percent more people than are covered by Medicare.¹

Although many Medicaid enrollees are blind, disabled, or in a skilled nursing or intermediate care home, the vast majority of Medicaid enrollees residing in California work full-time at low-paying jobs that do not provide health insurance.

University of California Health (UCH) urges Congress to provide adequate funding to Medicaid programs and to reject efforts to reduce funding, or alter the cost-sharing formula between federal and state governments, or restrict eligibility requirements for vulnerable populations. For millions of people, Medicaid is the only lifeline to health care services.

University of California Health is serving California

Almost one in three Californians have health insurance coverage through Medi-Cal, the state’s version of Medicaid.

University of California Health’s six academic health centers, medical schools and health professional schools, values the significant role Medicaid plays in preserving and improving the health of so many Americans. That’s why UCH provides an outsized share of care for this population.

UCH ranks third among California providers for the volume of inpatient care it delivers to Medicaid enrollees, yet it only comprises 6 percent of the hospital beds across the state. This disproportionate share of Medicaid enrollees demonstrates UCH’s commitment to its mission as a public safety net hospital system.

Medicaid represents 35 percent of the inpatient days across UCH and a substantial portion of the patients at each hospital.

In general, services for Medicaid beneficiaries are reimbursed through a fee-for-service model, where the provider receives payments for services, or through a capitation model, in which a set payment is made to a managed care organization which authorizes and disperses payments to its contracted providers. California’s Medicaid fee-for-service rates are among the lowest in the nation, ranking 47th, prioritizing the volume of Medicaid services delivered relative to Medicaid’s physician reimbursement rates. Increasingly, a greater percentage of Medicaid patients are enrolled in managed care Medicaid, which has similarly low capitation rates and fee schedules.

Medicaid reimbursements alone do not cover the actual costs of care. As a result, UCH must also attract commercially-insured patients to support its tripartite mission of providing high-quality patient care, educating the next generation of physicians and innovating biomedical cures.

At some UCH hospitals, Medicaid enrollees represent 45 percent of total inpatient days. Medicaid reimbursements cover only a portion of the total cost of a patient’s care.
UCH physician residents provide care in county hospitals, community hospitals and Veterans Affairs hospitals

UCH's impact in caring for lower-income Californians goes far beyond the University's medical facilities. Through our mission of training future physicians, UCH has expanded patient care services beyond the walls of its hospitals. Nearly half of the physician residents in California are in UCH-sponsored and long-standing UCH-affiliated family medicine programs.

Residency training (Graduate Medical Education) is the final step in a long educational process that leads to a new physician being licensed to practice independently.

Resident physicians work under the supervision of an experienced physician during this intensive training process. At any one time, roughly 20 percent of UCH's 5,687 physician residents are seeing patients in county hospitals. Another 20 percent are in Veterans Affairs (VA) hospitals, and an additional 20 percent are in community hospitals and specialty clinics.

Furthermore, approximately 77 percent of UCH medical residents will remain in the state after completing training or education, based on historical patterns.

In UC fiscal year (FY) 18/19, UCH absorbed $2.38 billion in unreimbursed services and charity care.
Charity and uncompensated care provided by University of California Health

In FY18/19, UCH provided an estimated $2.38 billion in undercompensated and uncompensated care to Medi-Cal, Medicare and uninsured patients. Historically, charity care includes discounted privately paid care for medical services.

The expansion of Medicaid in 2014, made possible through the Patient Protection and Affordable Care Act (ACA), produced a 60 percent increase in Medicaid enrollment.

\[ \text{Costs for newly enrolled beneficiaries initially were borne almost entirely by the federal government, but the cost-sharing formula reduces the federal government's contribution over time. Over time, an increased percentage of the costs will be borne by state governments and public safety net hospitals like UCH.} \]

Medicaid has an indispensable role in providing health care to 23 percent of all Americans.\(^2\)

\(^2\) Medicaid covers 75.8 million people, or 23 percent of the US population. U.S. Census Bureau, 2017 National Population Projection for 2020 is 332.6 million people.

About the University of California Health (UCH)

University of California Health is one of the nation’s largest academic health systems. It is comprised of six academic health centers, six medical schools, and 13 health professional schools.

Each year, it provides care to more than 375,000 people through its emergency departments, admits more than 172,000 people for inpatient care and provides more than 7.6 million outpatient visits.

To learn more, contact UC’s Office of Federal Governmental Relations at (202) 974-6300.