Title
Comments to Los Angeles County Board of Supervisors on Motion Securing Funding to Preserve Critical County Services Cut by H.R.1

Author
Lucia, Laurel

Publication Date
2026-03-12

UNIVERSITY OF CALIFORNIA, BERKELEY

UC BERKELEY LABOR CENTER

UC Berkeley Labor Center
Institute for Research on Labor and Employment
2521 Channing Way
Berkeley, CA 94720-5555

office (510) 642-0323
fax (510) 643-4673
laborcenter@berkeley.edu
https://laborcenter.berkeley.edu

February 9, 2026

Board of Supervisors
County of Los Angeles
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 383
Los Angeles, California 90012

RE: Motion Securing Funding to Preserve Critical County Services Cut by H.R.1

Dear Supervisors,

I am submitting this letter to share UC Berkeley Labor Center research on the economic harms associated with H.R. 1 because it underscores the need for funding to backfill the federal Medi-Cal cuts. Without funding solutions like the motion the Board is considering on Securing Funding to Preserve Critical County Services Cut by H.R. 1, not only will hundreds of thousands of Los Angeles County residents lose Medi-Cal coverage, but many jobs within the county will be lost and local tax revenue will be reduced.

Health care makes up a large portion of Los Angeles County's economy, with approximately 16 percent of jobs being in health care.[1] Federal Medi-Cal spending is critical to the health care system in Los Angeles County given that four out of ten county residents are enrolled and $54 billion in Medi-Cal spending flowed into the county in 2024.[2]

In a UC Berkeley Labor Center report published in April 2025, I estimated that up to 217,000 jobs will be lost in California under the large federal Medicaid cuts that ultimately were enacted under H.R. 1,[3] including up to 63,800 jobs in Los Angeles County. Approximately two-thirds of the projected job loss will be in health care and the remaining job loss will occur at businesses that supply the health care industry, such as food, laundry, and building services, medical supply companies, employment agencies, and accounting firms, and at local businesses at which health care workers spend their income, such as restaurants and retail stores. This analysis accounts for the fact that federal Medi-Cal dollars circulate through the California economy multiple times until the dollars eventually leave the state when consumers purchase goods or services that are produced elsewhere.

Fewer Medi-Cal dollars circulating through the economy will also result in up to an estimated $1.7 billion in lost state and local tax revenue in California,[4] including approximately $500 million in state and local tax revenue from Los Angeles County.

The exact number of lost jobs and lost state and local tax revenue will depend on factors such as yet-to-be-finalized details in federal H.R. 1 regulations, adjustments to certain Medicaid financing policies under H.R. 1, and how the state and counties implement H.R. 1. Regardless of these factors, economic harms of a large magnitude are likely to occur unless solutions are adopted to fill the gaps, such as the motion you are considering.

The economic harm from the H.R. 1 Medi-Cal cuts will be felt throughout Los Angeles County.

- Every Assembly district in Los Angeles County has at least one out of every six residents enrolled in Medi-Cal, although some parts of the county have much higher Medi-Cal enrollment (up to seven out of ten residents enrolled) than other parts.[5]
- The health care delivery system in Los Angeles County, nearly all of which relies on Medi-Cal funding to some extent, is dispersed throughout the county. At least 55 cities in Los Angeles (not including unincorporated areas) have at least one community clinic or hospital within city limits.[6]
- Workers in health care and other industries at risk of job loss live throughout the county.

Certain health care providers will be more affected by the federal Medi-Cal cuts than others given that they disproportionately rely on Medi-Cal, including safety net providers such as public hospitals and public and non-profit community clinics. For example, Medi-Cal makes up approximately two out of every ten health care dollars in the state,[7] but nearly seven out of ten (68%) net patient revenue dollars, on average, for community clinics and county- and city-owned hospitals.[8]

The proposed motion would not only improve access to health care for Los Angeles County residents affected by H.R. 1, but it would also mitigate the harm to the economy and workforce.

Sincerely,

Laurel Lucia
Deputy Executive Director of Programs

---

[1] https://laborcenter.berkeley.edu/california-health-care-employment-by-district-and-county-2023/
[2] https://laborcenter.berkeley.edu/medi-cal-enrollment-by-district-and-county-2024/
[3] https://laborcenter.berkeley.edu/wp-content/uploads/2025/04/California-Could-Lose-Up-to-217000-Jobs-if-Congress-Cuts-Medicaid.pdf
[4] ibid.
[5] https://laborcenter.berkeley.edu/medi-cal-enrollment-by-district-and-county-2024/
[6] UC Berkeley Labor Center analysis of 2024 data from the California Department of Health Care Access and Information https://data.chhs.ca.gov/dataset/primary-care-clinic-annual-utilization-data, https://data.chhs.ca.gov/dataset/hospital-annual-financial-data-selected-data-pivot-tables
[7] https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/state-residence
[8] https://www.chcf.org/publication/health-care-safety-net-almanac/