



TEAM: HEALTH CARE

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SUBJECT: STRENGTHEN AND PRESERVE THE CAPITAL REGION'S HEALTH CARE ECOSYSTEM

REQUESTED ACTION:

- Stabilize funding and barriers to program enrollment for those enrolling in Medicaid.
- Support legislation that addresses health care industry workforce shortages.
- Continue working to address health insurance premium affordability for all Americans.

HOW THIS SUPPORTS BUSINESSES:

Hospitals, health systems, community health centers, physicians, and other healthcare providers are at the forefront of driving job growth in the Capital Region. Healthcare generates employment and revenue that feed the local economy and is one of the region's largest industry sectors. By caring for patients, our sector promotes a healthy workforce and strengthens the underpinnings of business performance.

A healthy workforce is critical to a successful business community, including employee recruitment and retention efforts, and the vitality of our seniors and our youth. Medicaid instability, as well as workforce shortages, threaten care delivery, access, and the financial protection needed for a thriving regional economy.

Provide Financial and Enrollment Stability for Consistent Medicaid Coverage

As California addresses significant federal changes to Medicaid, the state budget estimates an additional \$3 billion to serve this population. To minimize strain on the regional economy, federal elected officials can urge a delay in implementing work



requirements and increased eligibility checks if systems are not in place to help eligible patients stay enrolled and prepare for extensive coverage losses. In addition, elected officials can promote flexibility in final federal rules for state implementation of work requirements and eligibility checks to ensure they allow for high levels of automation and keep as many eligible members enrolled as possible. New community engagement requirements tied to Medicaid eligibility carry high administrative costs, but they also may allow for potential local partnership opportunities to help working families and vulnerable communities navigate these new conditions for maintaining coverage. New restrictions on the application of provider taxes will also impact the metro area. As states adjust to how they collect provider taxes, Congress should support reasonable glide paths that minimize shifting financial burdens to Capital Region healthcare providers and employers.

With recent federal changes to the Medicaid program in mind, prioritizing reform to the Medicare physician payment system, supporting annual Medicare Economic Index (MEI) inflation updates, and additional Alternative Payment Models will strengthen overall health care financing for the communities we serve.

Growing and Training the Healthcare Workforce

Physicians, nurses, and other healthcare staff shortages continue to grow across the country and remain a particular problem in California, especially in counties adjacent to the Capital Region statistical area. The shortage of healthcare providers means people struggle to access adequate healthcare. As of January 2026, the Health Resources and Services Administration designated 8,477 Health Professional Shortage Areas for primary care alone, covering a population of 93 million. This problem is growing, and larger workforce investments are desperately needed.

Congress must support legislative efforts that address healthcare industry workforce shortages and rapidly increase the number of GME positions, Teaching Health Center GME, and National Health Service Corps, as critical steps towards replenishing the physician workforce in high-need areas. Congress should waive H1B visa application fee requirements for physicians, expand the J-1 visa program for international medical graduates, and expand funding to support educational programs and financing to educate nurses and other allied health professionals.



Advancing workforce training policy is even more important when considering healthcare workers experience the highest rates of workplace violence and account for 73% of nonfatal workplace violence injuries. This growing public safety issue threatens workforce stability, patient access, and healthcare system integrity. In response, Congress should address escalating incidences of violence against healthcare workers by establishing federal criminal penalties for assaulting health care workers and making it easier to draw talented people to jobs in healthcare delivery.

Addressing Affordable Coverage

Lowering the cost of health insurance premiums for California families, rural Californians, the self-employed, and small business owners remains a priority. When fewer individuals and families have health coverage, more uncompensated care is provided to people who ultimately cannot pay. Historically, medical bills have been the leading source of unpaid debt on credit reports, prompting states and the federal government to explore new ways to address medical debt. Congress should work toward a policy for making it easier for people to afford coverage by containing premium costs as a percentage of their income, spreading risk, and stabilizing costs throughout the healthcare system. Congress should continue its work to make prescription drugs, as well as cell and gene therapies, more affordable and accessible.

HOW THIS SUPPORTS RESIDENTS OF OUR REGION:

Access to quality healthcare is vital to all. Policies that allow regional flexibility and promote integrated delivery systems that control costs, increase efficiency, and maintain quality help maintain and improve the health of the population.