

The following table updates Table 3 in *Medicaid: Good Medicine for California's Economy*. This table presents the most recently proposed major cuts to the Medi-Cal program as presented by Governor Gray Davis on January 10, 2003.

Table 3

Economic Consequences of Proposed 2003-2004 Medi-Cal Cuts

Proposed Medi-Cal Cut	Expected Reduction in California Spending Due to Cut (in millions of dollars)	Effect on California's Economy		Effect on California Jobs		Effect on California Wages	
		Economic Activity Multiplier	Economic Losses (in millions of dollars)	Jobs Multiplier	Jobs Lost	Wage and Salary Multiplier	Wages Lost (in millions of dollars)
Deny Medi-Cal eligibility to two-parent working families (incomes from 61- 100% of federal poverty level)	\$ 118.0	2.38	\$280.8	20.75	2,449	0.87	\$102.7
Change eligibility rules for aged and disabled people with incomes from \$708-\$982 (individuals) and \$1,225-\$1,323 (couples)	63.8	2.38	151.8	20.75	1,324	0.87	55.5
Paperwork requirements (re-institution of quarterly status report)	85.0	2.38	202.3	20.75	1,764	0.87	74.0
Elimination of 8 benefits as proposed in December*	274.0	2.38	652.1	20.75	5,686	0.87	238.4
Elimination of 10 additional benefits**	87.8	2.38	209.0	20.75	1,822	0.87	76.4
10% rate reduction to health care providers (including doctors and nursing homes) as proposed in December	478.6	2.38	1,139.1	20.75	9,931	0.87	416.4
Additional 5% rate reduction to health care providers (including doctors and nursing homes)	241.9	2.38	575.7	20.75	5,019	0.87	210.5
TOTAL	\$1,349.1		\$3,210.9		27,994		\$1,173.7

* Adult dental services, medical supplies, podiatry, acupuncture, chiropractic services, psychology, independent rehabilitation centers, and occupational therapy.

** Non-emergency medical transportation, optician/optical lab services, hospice, durable medical equipment, optometry, hearing aids, prosthetics, speech/audiology services, orthotics and physical therapy.

