

FOR IMMEDIATE RELEASE

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Association of California Healthcare Districts Responds to Governor Newsom's 2025 May Revise Budget Proposal

SACRAMENTO, CA – The Association of California Healthcare Districts (ACHD) today issued the following statement in response to Governor Gavin Newsom's release of the 2025–26 May Revise budget proposal:

California's healthcare districts are on the front lines of care for millions of residents, particularly in rural and underserved communities. We recognize the significant fiscal challenges facing our state, as reflected in the Governor's May Revise, and appreciate the Administration's efforts to balance fiscal responsibility with the need to protect essential health services.

We are encouraged that the May Revise continues to preserve coverage for current Medi-Cal expansion populations, including low-income adults regardless of immigration status, even as the state proposes a pause on new enrollments starting in 2026 and introduces new premium requirements for some adults. Maintaining coverage for those already enrolled is critical to the health and well-being of some of California's most vulnerable residents.

At the same time, we understand the necessity of difficult budget decisions to ensure the long-term sustainability of Medi-Cal and the state's overall fiscal health. The Administration's approach-prioritizing existing coverage while implementing targeted savings-reflects a commitment to both fiscal responsibility and the preservation of core health programs. Cathy Martin, ACHD CEO states, with that in mind, "***We urge the Governor and Legislature to continue seeking non-fiscal solutions to support our providers. Now is not the time for politics to result in the continued degradation of our public health care system. We look forward to being thought partners in this next chapter, to ensure access to care is preserved and expanded.***"

The Governor proposes using Prop 35 funding to cover already incurred costs in Medi-Cal and not for increasing provider payments to increase access to health care. We do have

significant concern about any budget proposals that divert Proposition 35 funding disregarding the choices made by California voters.

As budget negotiations move forward, ACHD stands ready to work with policymakers to safeguard access to care and ensure that healthcare districts can continue to deliver high-quality, accessible services in every community.

ACHD will continue to analyze the May Revise and provide thoughtful partnership with stakeholders and policymakers. In this time of uncertainty, healthcare districts stand untied, and ready to meet the moment. We encourage our district leaders and community stakeholders, and Association counterparts to remain engaged in the ongoing dialogue to protect California's healthcare future.

About ACHD:

The Association of California Healthcare Districts represents California's 77 public healthcare districts, advocating for policies that ensure access to quality care for all residents. ACHD works with numerous state and local entities to promote the profound role healthcare districts play in responding to the specialized health needs of tens of millions of Californians while also having direct accountability to the communities that Districts serve.

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