



THE PUBLIC POLICY INSTITUTE OF CALIFORNIA (PPIC) AND THE
CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH
invite you to attend a

***PPIC Luncheon Briefing:
California's Medi-Cal Program: Can Costs
Be Controlled?***

**Tuesday, July 26, 2005
12:00 noon – 1:30 p.m.
Room B-354, Rayburn House Office Building**

Over the next ten years, California's costs under the Medi-Cal program (which administers federal *Medicaid* funds) are projected to grow at a faster rate than state revenues, according to a study released today by the Public Policy Institute of California (PPIC). The analysis also reveals that most Medi-Cal spending is concentrated among a small number of recipients – 5 percent of Medi-Cal enrollees incur more than 60 percent of all costs. For substantial savings, the analysis finds that the state would have to lower the cost of long-term care for the elderly, services for the disabled, and hospital stays for the seriously ill.

The study finds that rapid inflation in health care costs – not increases in the number of enrollees – is the driving force behind mounting program expenses. The \$12 billion the state now spends annually on Medi-Cal is expected to reach nearly \$29 billion annually by 2015 – yet California's revenues are projected to grow more slowly. “The budget disparity is notable. There are really only three strategies to address it,” says PPIC research fellow Hans Johnson, who co-authored the study with SPHERE researchers Thomas MaCurdy, Raymond Chan, Rodney Chun, and Margaret O'Brien-Strain. “The state can raise taxes, cut Medi-Cal spending, or take money from other programs and move it into Medi-Cal. None of these are easy.”

You are invited to attend a luncheon briefing given by the report's authors, which will be held on Tuesday, July 26, 2005, at 12:00 noon, in Room B-354 of the Rayburn House Office Building in Washington, DC. Copies of the report will be available at the briefing, and it may be viewed online at <http://www.ppic.org>.

To attend this luncheon briefing, please reply (acceptances only, thank you) to 202-546-3700, or email to randsell@calinst.org. We look forward to seeing you on Tuesday.