

2024-25 Governor's Budget

Managed Care Organization Provider Tax

(Dollars in Millions)

	CY	BY	BY+1	BY+2	All Years
	2023-24	2024-25	2025-26	2026-27	Total ²
Total Revenue	\$8,269	\$9,770	\$9,514	\$7,138	\$34,690
- Medi-Cal Managed Care Capitation Payments	\$3,464	\$3,960	\$3,792	\$2,614	\$13,831
= Total State Funding	\$4,805	\$5,810	\$5,721	\$4,524	\$20,859
State Administration Costs	-	\$2	\$2	\$2	\$7
+ Medi-Cal Provider Rate Increases Effective 1/1/24	\$121	\$291	\$305	\$321	\$1,038
+ Medi-Cal Provider Rate Increases Effective 1/1/25	-	\$774	\$1,962	\$2,078	\$4,814
+ Behavioral Health Throughput Effective 7/1/25	-	-	\$300	\$300	\$600
+ University of California Graduate Medical Education Programs	\$75	\$75	\$75	\$75	\$300
+ Medi-Cal Workforce Pool - Labor Management Committee	-	\$30	\$75	\$75	\$180
+ Distressed Hospital Loan Program and the Small and Rural Hospital Relief Program for Seismic Assessment and Construction	\$200	-	-	-	\$200
= Total Expenditures¹	\$396	\$1,172	\$2,720	\$2,851	\$7,139
2023 Budget Act Funding to Support the Medi-Cal Program	\$3,389	\$1,858	\$2,019	\$1,050	\$8,316
+ 2024-25 Governor's Budget Funding to Support the Medi-Cal Program	\$1,020	\$2,779	\$466	\$299	\$4,564
= Total Funding to Support the Medi-Cal Program	\$4,409	\$4,637	\$2,485	\$1,349	\$12,880

^{1/} Only state funds are reflected, expenditures do not include federal funds. The \$7.139 billion expenditure total does not include an estimated \$840 million fund balance in the Medi-Cal Provider Payment Reserve Fund at the end of 2026-27. Including the fund balance results in \$8 billion in total targeted rate increases and other investments through the term of the tax.

^{2/} Totals may not add due to rounding.