

Uber-Backed Ballot Initiative Could Cost California Taxpayers Tens of Millions in Injury Claims, According to LAO

Uber-backed ballot initiative could cost Medi-Cal tens of millions in injury claims, raising taxpayer burden and straining California's healthcare system.

LOS ANGELES, CA, UNITED STATES, April 21, 2026 /EINPresswire.com/ -- A proposed California ballot initiative backed by Uber could push tens of millions of dollars in injury-related medical costs onto the state's Medi-Cal system, increasing the financial burden on taxpayers and placing additional strain on an already overextended healthcare network, according to the Legislative Analyst's Office (LAO).



J&Y Law supports the Consumer Attorneys of California in opposing the Uber ballot initiative.

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positioned as a cost-control effort, some legal and policy analysts suggest the proposal could alter how injury-related healthcare is funded in California.

At the center of the concern is Medi-Cal's role as a payer of last resort. Under current law, when an injured individual receives a settlement or judgment, the California Department of Health Care Services (DHCS) can recover Medi-Cal costs through a lien process. That system depends heavily on injured individuals being able to pursue viable legal claims.

If fewer cases are pursued successfully, that recovery pipeline may weaken.

“The system only works if someone is able to bring a [personal injury claim](#) in the first place,” said [Jason Javaheri](#), Esq., Co-Founder and Co-CEO of J&Y Law. “If that breaks down, taxpayers end up holding the bill for those costs.”

According to analysis from the LAO, the initiative could increase Medi-Cal spending through two primary avenues:

- If attorney fee caps discourage attorneys from taking on certain cases, fewer injured individuals may receive settlements. Without settlements, the state may be unable to recover Medi-Cal expenditures tied to those injuries.
- Patients who might otherwise receive care through medical liens could instead turn to Medi-Cal, increasing direct state healthcare spending.

Together, these changes could result in tens of millions of dollars in additional annual costs, based on policy estimates tied to the proposal.

The initiative also introduces changes that could affect the availability of lien-based medical treatment, a system that allows injured individuals to receive care upfront and pay providers after a case is resolved.

The proposal would:

- Tie recoverable medical damages to benchmark rates (often based on Medicare pricing)
- Require a higher legal standard of proof for medical necessity

These changes could impact the financial viability of lien-based care for some providers.

“It’s not about the payment option alone,” said Javaheri. “When medical providers are less willing or unable to treat on a lien basis, patients may face delays in accessing care. In some cases, that could result in greater reliance on Medi-Cal.”

Medi-Cal is one of the largest components of California’s state budget and already serves millions of residents. Increased demand without corresponding recovery from third-party claims could intensify existing challenges, including provider shortages and longer wait times.

The downstream effects of the ballot could extend beyond public healthcare.

“Liability doesn’t go away just because a case isn’t filed,” said [Yosi Yahoudai](#), Esq., Co-Founder and Co-CEO of J&Y Law. “It may be absorbed elsewhere, and in some cases, that can include public systems.”

While the ballot measure has been introduced in the context of rideshare, if passed, its provisions would apply broadly to motor vehicle accident claims across California.

“Uber has already spent over \$30 million promoting this ballot initiative,” added Yahoudai. “Those resources could also be directed toward safety-related measures for riders and drivers, depending on policy priorities.”

When legal recovery is limited, costs may shift from private insurers and responsible parties to public programs like Medi-Cal. This dynamic raises broader policy questions about how injury-related costs are allocated across public and private systems.

About J&Y Law

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