

# News Release



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## California 2008-09 Budget Underscores Need for Health Reform

*2008-09 Budget Recycles Many Cuts Suggested and Rejected in Previous Budgets*

Community Health Councils released the following statement today in response to the cuts to healthcare in the proposed 2008-09 California State Budget:

“The California State Budget released yesterday by Governor Schwarzenegger once again highlights the need for healthcare reform. As always, cuts falls hardest on those who can least afford them. Many families in California are already making difficult choices every day about how to meet basic needs.

The California Budget Project estimates that a family of four with two working parents living in Los Angeles needs over \$74,000 annually to cover the necessities of housing, child care, food, transportation, healthcare and taxes. The budget calls for increased premiums and copays for families in the Healthy Families Program who can earn as little as \$26,000 annually for a family of three.

The budget calls for Quarterly Status Reports from Medi-Cal recipients, which not only act as a barrier to continuous coverage, but also increase administrative costs. In addition, the budget reduces Medi-Cal provider fees by 10%. In communities where Medi-Cal makes up more than 40% of hospital revenue, the fee reductions could result in more hospital closures.

We can no longer go year to year trying to find the funds to provide something as fundamental as healthcare. What we really need is comprehensive healthcare reform as represented by ABX1 1. ABX1 1 would extend health coverage to nearly 4 of 5 million uninsured Californians, bringing in new revenues to develop an efficient system in California to expand healthcare coverage; improve access and the quality of the healthcare system; and ultimately contain healthcare costs. Healthcare is not a luxury and shouldn't be part of the budget balancing act when times get tough.”

*Community Health Councils is a non-profit, community-based health promotion, advocacy and policy organization. Established in 1992, CHC's mission is to improve health and increase access to quality healthcare for uninsured, economically-disadvantaged, and underserved populations.*