



Health Matters

A Health Policy Update

February 29, 2008

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State Budget Update

The Governor has signed off on more than \$2 billion in emergency budget cuts impacting education, healthcare and social service programs sent to him by the state legislature in mid-February. The cuts include a 10% reduction in payments to Medi-Cal providers, doctors and hospitals for a savings of \$544 million in the 2008-09 budget. Every dollar cut means the state loses a dollar of federal Medi-Cal matching funds, so in effect the state health system loses over \$1 billion in funding. The cuts will go in effect on July 1, 2008.

The 10% reduction to already low provider rates may be the last straw for some providers. They further exacerbate access to care in certain regions of California and directly impact the approximately 6 million low-income children, parents, seniors, and people with disabilities with Medi-Cal coverage. Some legislators are hoping to reverse the cuts in the 2008-09 budget.

Some health cuts that were proposed by the Governor that were not approved in this session include the Medi-Cal optional benefits such as adult dental and the reinstatement of quarterly status reports for Medi-Cal consumers. These proposed cuts will likely return and be heard in future regular session hearings.

In a rare move, the Legislative Analyst has presented an alternative budget plan, calling the Governor's 10% across-the-board cuts shortsighted. The LAO has suggested a targeted approach to spending that includes generating \$2.7 billion in revenues by closing or reducing tax loopholes. The Analyst's report lists over a dozen tax breaks that could be eliminated, including a loophole that allows yacht buyers to avoid sales tax, tax breaks for businesses and some tax credits for individuals and families who claim dependents. The full report is available at www.lao.gov.

California Healthcare Reform

Advocates and legislators are looking at incremental reform since the California Senate Health Committee rejected ABX 1 1, the comprehensive healthcare reform bill, *California Healthline* reports. Assembly Speaker Fabian Núñez has already stated that he will not spend 2008 trying to revive ABX 1 1.

SB 1440, introduced by Senator Sheila Kuehl, would limit the amount an insurer could expend on administration costs to 15% of premiums received. Assemblymember Hector De La Torre introduced AB 1945, which would require health insurers to seek and obtain final approval from its regulator before cancelling a patient's policy. AB 1929, introduced by Assemblymember Jim Beall, would help hospitals that treat large numbers of Medi-Cal beneficiaries finance construction of trauma centers by allowing facilities with Level I centers to use special federal funds for capital projects. For more information on these bills, please visit www.leginfo.ca.gov.

In addition to these bills and others, in early February advocates filed an initiative to establish a new tobacco tax to help fund health insurance for children and at the same time discourage youth smoking. The new campaign calls for a 75-cent per pack tax on cigarettes and represents an effort to keep as many children insured as possible in California.

CHC Receives Legislative Champion Award

The California Center for Public Health Advocacy (CCPHA) honors CHC for outstanding leadership in policy advocacy and organizing efforts to improve access to healthy foods. *Food for the Soul/Fuel for the Movement* is a celebration of California's nutrition and fitness advocates. Other honorees include Eric Schlosser, author of *Fast Food Nation* and the keynote speaker, and former Senator Martha Escutia. Please join us in Los Angeles for the awards luncheon on **Thursday, March 6th from Noon-1:30pm**. For more information, visit CCPHA's website at <http://www.publichealthadvocacy.org/> and click the Register link in the lower left corner.

Supervisors Reject Plan to Close Clinics

LA County Department of Health Services Director Bruce Chernof proposed on February 15th that LA County close 11 of its 12 clinics and end primary care treatment at its six Comprehensive Health Centers. The recommendations were made as part of an effort to stem a mounting budget deficit that is expected to reach \$195 million in 2008-09. The plan called for the county to expand contracts with Public Private Partnerships (PPP) to handle uninsured primary care visits. The proposal was projected to save the county \$73 million a year, but at the same time cost \$25 million in expanded contracts. The clinics and health centers receive nearly 400,000 visits each year, largely from patients who are uninsured.

Advocates pointed out that while the PPPs might be more efficient in delivering care and are an option to consider given

limited resources, simply shifting patients to the private sector does not assure the county's legal and financial responsibilities to the uninsured. The plan proposed a 46% increase in the number of visits to PPPs and would require not only careful planning, but also adequate resources and sufficient time to implement in a way that ensured no harm to county patients.

The Supervisors voted to postpone consideration of the request and have asked the DHS Director by March 24th to come up with a comprehensive list of all cost saving options to balance the DHS budget. While the Supervisors felt that expanded clinic privatization merits consideration, there was concern that the timeline was too rushed. They have asked the Director to provide by July 7th a detailed project budget at least three years out and an independently prepared analysis of the potential community impact and how to mitigate it.

Harbor-UCLA Cited for Service Lapses

In early February, the Centers for Medicare and Medicaid Services cited Harbor-UCLA Medical Center for emergency department overcrowding, wait times and related issues. The citation originated with the death of an emergency room patient who left the hospital before treatment was finished and was later found dead in a parking lot. Harbor-UCLA is the second largest hospital in the county system with 82,000 ER visits, after LAC-USC with 168,000 visits. The average wait time at the Harbor-UCLA ER is 307 minutes compared to 276 minutes for LAC-USC. A June 2006 study of ER wait times across the US identified an average of 222 minutes from registration to being seen by a physician. In addition, nearly 17% of Harbor-UCLA ER patients leave without being seen, while at LAC-USC 7.5% leave. Harbor experienced an increase in patient volume after the closure of MLK from 6,599 to 6,725 visits per month, but the average wait time actually decreased from 6.7 to 6.56 hours.

DHS submitted a Corrective Action Plan to CMS that included adding additional RNs and full-time physicians to the hospital's triage area and more ECG, lab and other support staff to facilitate faster tests for patients who need them. State investigators, acting on behalf of the federal agency, paid an unannounced visit to the ER on February 14th and rescinded the immediate jeopardy status of the hospital.

Residents Mobilize for Environmental Health

The Environmental Health and Planning Work Group is a collaborative effort of CHC, the City Project, Baldwin Hills Conservancy and neighborhood associations and block clubs representing more than 50,000 households who are working to protect the health, safety, quality of life and environment of the Baldwin Hills neighborhood of South Los Angeles. The Baldwin Hills area has included oil and gas production operations dating back to the 1920s, when the area was largely undeveloped. Today these activities operate in the midst of a densely-populated urban area and concerns have been raised regarding the potential conflicts between oil and gas operations

and the surrounding residential communities. In 2006, the LA County Board of Supervisors placed a temporary restriction on drilling new oil wells or deepening existing oil wells. This restriction expires on June 26, 2008. The issue is of particular concern in this neighborhood because of the health and environmental risks associated with drilling in a heavily-populated urban setting.

Community members hope to shape and inform policy on environmental issues by participating in activities that raise knowledge about health concerns and learning about the opportunities to influence environmental planning decisions. The Work Group is applying these tools to draft their response to the region's Community Standards District (CSD) and Environmental Impact Report (EIR). The CSD and EIR will evaluate existing and future oil operations in the Baldwin Hills and will help determine what additional development standards and regulations should be included to mitigate the impacts of drilling on the surrounding communities. For more information on the Work Group, please contact Taketha Dillard, Community Liaison, at taketha@chc-inc.org or 323.295.9372 x223.

Upcoming Events

Policy Advocacy Trainings

Thursday, March 27th or Thursday, April 3rd.

Nothing is more politically powerful and effective than local constituents talking with their legislators. CHC and Hunger Action LA have joined together for a community training on the bills introduced in the California legislature to improve the health of individuals and communities. The trainings will enhance the skills of residents and organizations to address their lawmakers on these bills and other critical issues in their neighborhoods. The trainings will take place at CHC (3731 Stocker Street, Suite 201, Los Angeles 90008) on Thursday, March 27 from 2-3:30pm and on Thursday, April 3 from 6-7pm. To RSVP or for more information, contact Heili Kim, Policy Analyst, at heili@chc-inc.org or 323.295.9372 x 233.

Neighborhood Food Watch

Thursday, March 20th.

Learn what can be done to get fresher foods and cleaner stores in your neighborhood. Join other residents for the next NFW meeting. This meeting will present an overview from the LA County Public Health Department on consumer rights and the grocery store and restaurant rating systems to give consumers the knowledge they need to effectively engage the grocery store regulatory agency. The meeting will take place at CHC on Thursday, March 20th from 9:30am-Noon. To RSVP and for more information, contact Mia Boykin, Community Liaison, at mia@chc-inc.org or 323.295.9372 x216.

**FOR MORE INFORMATION ... CONTACT
COMMUNITY HEALTH COUNCILS,
323.295.9372. INFO@CHC-INC.ORG.**