

March 31, 2010

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## State Budget Talks Collapse

Talks with state Republicans to put the decision to extend existing temporary tax increases to the public in a special June election have failed. On March 25<sup>th</sup>, the GOP unveiled a seven-page list of demands with 53 wide-ranging proposals before they would even consider supporting the revenue package. These included:

- Dropping the elimination of redevelopment agencies and corporate tax credits
- Far-reaching pension changes
- Regulatory rollbacks
- A state spending cap
- Demands for additional budget cuts.

Additionally, the Republicans asked for an 18-month extension on the taxes, instead of the five-year extension Brown proposed. Since the issue could not be resolved, a June election becomes out of the question, and the existing tax increases will end on June 30<sup>th</sup>.

The Governor has indicated that he would put a measure on the November ballot to make tax increases permanent if the temporary extension failed. In order for this to happen, the drive would have to be launched and signatures submitted by late May.

Without a solution soon, the Legislature will have to make up the estimated \$26.6 billion deficit through mid-2012 with another \$13 billion in cuts to meet the June 15<sup>th</sup> budget deadline. Governor Brown has already signed a \$12 billion package of budget cuts that had been approved by the State Legislature on March 24<sup>th</sup>. The package includes a shift in funds from Proposition 63 (Mental Health) and Proposition 10 (First 5), detrimental reductions to the CalWorks and IHHS programs and the following cuts to Medi-Cal & Healthy Families:

- Reducing Medi-Cal provider rates by 10%

- Limiting doctor visits to seven per year (unless certified as medically necessary)
- Raising the cost of care for Medi-Cal patients, including:
  - \$100/day for a hospital stay, up to a maximum of \$200
  - \$50 copayment for emergency room visits
- \$5 copayment for doctor, clinic, dental, and pharmacy visits and prescriptions.
- Eliminating Medi-Cal adult day healthcare and replace with a scaled-down program
- Eliminating Medi-Cal coverage for over-the-counter drugs
- Limiting Medi-Cal coverage for hearing aids and enteral nutrition products for adults
- Increasing monthly premiums for Healthy Families coverage:
  - Families between 200-250% FPL by \$18 per child
  - Families between 150-200% FPL by \$14 per child
- Raising ER co-payments for Healthy Families from \$15 to \$50 and hospital inpatient services co-payments to \$100 per day with a \$200 maximum.

Without the extension of current tax rates on income, vehicles and sales, it appears that our legislators are once again considering an “all cuts” budget no matter what the cost to the future of California, its children and families.

## Federal Budget Battle

Six months into the current fiscal year, which began on October 1, 2010, Congress continues to battle over the level of cuts for the FY 2010-2011 budget. Congress has passed a series of continuing resolutions (CR) including some reductions, but there continues to be a standoff on the overall budget package. Proposed cuts range from \$33-\$100 billion. The current CR ends April 8<sup>th</sup> and if the two parties are unable to negotiate an agreement, funding for the government expires. Without action by Congress, a partial shutdown would follow.

## REACH US Funding on Chopping Block for 2012

While Congress struggles with the passage of the 2011 budget, President Obama's 2012 budget calls for the elimination of the national Racial and Ethnic Approach to Community Health (REACH) US program. Cutting this program would undermine existing efforts to reduce racial and ethnic health disparities and renege on the nation's commitment to invest in community-based solutions to eliminate racial and ethnic health inequalities.

The REACH initiative was created in 1999 in an effort to uniquely and effectively address the health disparities that afflict communities of color. Since its inception, REACH efforts have positively influenced a number of health outcomes including increasing vaccination rates among people of color and reducing infant mortality and risk factors associated with the incidence of cardiovascular disease and diabetes. California has seven REACH grantees: Community Health Councils, Orange County Asian and Pacific Islander Community Alliance, Public Health Institute, University of California Los Angeles, Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center, Special Service for Groups, and YMCA of the Santa Clara Valley.

The National Health Equity Coalition is coordinating efforts to preserve the REACH program in the FY2012 budget at least at the current funding level (\$39.8 million) as a stand-alone program under the CDC or as a stand-alone program within the Prevention Trust Fund of the Affordable Care Act (ACA). Please visit the National Health Equity Coalition website at [www.nationalhealthequitycoalition.org](http://www.nationalhealthequitycoalition.org) for the sign-on letter and postcard to support the preservation of REACH US program funding.

## Affordable Care Act Strides Forward

A year after its enactment, implementation of the Affordable Care Act (ACA) continues to make progress in California. Several key bills have been proposed for 2011 that would bring state law in conformity with or enhance ACA.

Four bills are set to be heard in Assembly Health Committee on April 5<sup>th</sup>:

- AB 52 (Feuer) *Rate Regulation*: Provides authority to the Department of Managed Health Care and the

Department of Insurance to approve or deny increases in health care insurance premiums, copayments, or deductibles.

- AB 714 (Atkins) *Pre-Enrollment*: Requires DHCS, MRMIB, Family Pact and other programs to provide information about the California Health Benefits Exchange for the purpose of pre-enrolling them to be ready to obtain subsidized coverage in January 2014.
- AB 792 (Bonilla) *Automatic Enrollment*: Requires California consumers are provided information about the Exchange upon filing for divorce, separation, unemployment, adoption, or other life circumstances.
- AB 922 (Monning) *Providing Consumer Assistance*: Creates an Office of Health Consumer Assistance (replacing the Office of Patient Advocate), responsible for providing outreach and education about health care coverage to consumers & contracting with community organizations to provide consumer assistance.

AB 1296 (Bonilla), *Streamlining Eligibility and Enrollment* is set for April 12<sup>th</sup>. It requires the California Health and Human Services Agency to establish a standardized single application form and related renewal procedures for Medi-Cal, the Healthy Families Program, the Exchange, and county programs. Community Health Councils encourages you to contact the authors of the bills and your local representatives to share your support.

Unfortunately, there are also several bills that will be a step back from the intent of the Affordable Care Act. SB 615 (Calderon) would require that any person who solicits, negotiates, or sells healthcare service plans to be a licensed insurance agent. This legislation is part of a national movement that would lay the groundwork for Health Insurance Navigators to be licensed insurance agents. CHC has drafted and submitted comments (see [www.chc-inc.org/issue-briefs](http://www.chc-inc.org/issue-briefs)) recommending that the Committee consider building the Navigator program off of California's CAA infrastructure and remove the requirement of being a licensed insurance agent.

CHC will continue to monitor the outcome of SB 615 and the other pieces of legislation and provide any updates and potential advocacy opportunities. For a list of key bills related to ACA, please visit the Health Access website at [www.health-access.org](http://www.health-access.org) or contact Sonya Vasquez, CHC Policy Director, at [sonya@chc-inc.org](mailto:sonya@chc-inc.org).

## Health Reform Webinar Series

Community Health Councils is hosting a webinar on April 28<sup>th</sup> that will focus on the current and future impact of the Affordable Care Act on communities of color.

The webinar is the latest in a series designed to engage CHC's partners and their constituents in a dialogue on key health reform policies that can leverage and strengthen existing infrastructures, streamline publicly-sponsored healthcare coverage programs, and close the racial/ethnic healthcare coverage gap in underserved communities.

African Americans, Hispanics, Asian Americans and Native Americans make up more than half of America's uninsured. Communities of color have higher rates of infant mortality, disease and disability than the general population and are less likely to receive the preventive screenings, regular care and necessary medications that could prevent chronic conditions.

For more information on the April webinar, please visit our website at <http://www.chc-inc.org/health-reform> or contact CHC Policy Analyst Ellesse Akre at [Ellesse@chc-inc.org](mailto:Ellesse@chc-inc.org) or 323.295.9372 ext. 223.

## Re-Imagining Empty Spaces

On March 12, 2011, over 150 South LA residents, community leaders, and health advocates gathered for a four hour bus and bike tour, visiting six unique empty space initiatives in South LA. The sites were examples of where community groups have successfully transformed vacant lots into pocket parks and community gardens that serve as gems in their respective communities. Other sites included places where residents are just starting efforts to transform their empty street spaces, like alleyways, and are still looking for support and funding.

Three days later, four participants re-convened to share their frustrations, experiences, and ideas with city officials at the Re-Imagining Empty Space Summit. City officials from the planning department, General Services, and the Food Policy Council responded to questions about how empty spaces can be transformed by describing the policy initiatives they are working on within the city to facilitate more of the projects witnessed on the bus and bike tours. Presentations from three out-of-town planners and advocates inspired both community members and city officials with what's

worked in other communities and might be possible in LA.

Organized by the Coalition for an Active South LA, the two-day event served as a way to raise awareness about the correlation between health and environmental disparities in South LA and about the potential innovations to create a more active South LA. Currently, South LA residents experience the highest rates of cardiovascular disease and diabetes in all of LA County: this rate is three times higher than in other parts of the county. South LA also contains the least amount of bike lanes and parks.

Advocates from the Coalition and the two-day event will hold follow up meetings to determine what innovations are possibilities for LA. To get involved, contact Bethany at [bulrich@chc-inc.org](mailto:bulrich@chc-inc.org) and consider attending the *Coalition for an Active South LA Meeting* on April 19, 2011 at CHC's offices.

## Upcoming Events

**Community Open House on the Future of MLK Medical Center.** *H. Claude Auditorium, 12021 S. Wilmington Ave, LA 90059. Saturday, April 9<sup>th</sup> from 10am-2pm (drop by anytime).* Supervisor Mark Mark Ridley-Thomas invites you to share your insights and ideas on the future of MLK Medical Campus Master Plan, its relationship to the surrounding neighborhood and how it can play a role in the community's overall health and wellness. Contact Clarice Nash, Project Manager, [cnash@dpw.lacounty.gov](mailto:cnash@dpw.lacounty.gov)

**2011 REACH US California & Beyond Conference: REACHing for Health Equity—Keeping Our Eye on the Prize.** *Wednesday, June 1<sup>st</sup> and Thursday, June 2<sup>nd</sup>, 8:30am-4:30pm.* The goal of the Conference is to broaden the discussion about racial and ethnic health disparities to include a human rights perspective while forging and strengthening partnerships and strategies to move us towards health equity. Invited speakers include Wayne Giles, MD, Director of Adult & Community Health at the CDC, and Howard Koh, MD, Assistant Secretary US Health & Human Services. Brochure and registration information available at [www.chc-inc.org/che](http://www.chc-inc.org/che).

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**FOR MORE INFORMATION ... CONTACT  
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