

## Voters Reject Budget Measures

On Tuesday, California's voters rejected the Governor's five budget measures to slow down the state's growing fiscal crisis. In the aftermath, Governor Schwarzenegger has indicated that Californians can expect to see deep cuts to state spending in education, healthcare, and law enforcement.

The Governor had already outlined additional major cuts to healthcare in the May Revise released last week. Among the new cuts proposed are the following:

### *Medi-Cal*

The largest impact is on Medi-Cal, with \$750 million in new cuts on the table. The Governor did not specify what these reductions might be, but in the past they have included imposing semi-annual status reports on children to renew coverage in Medi-Cal and denying coverage to parents earning more than \$22,056 for a family of four. These rollbacks are contingent on negotiating a waiver with the federal government to allow California flexibility in making changes to the Medi-Cal program that include limiting eligibility and benefits and still receive funds from the federal economic stimulus package passed earlier this year.

The Governor has also proposed cutting Medi-Cal payments to private hospitals by 10% and limiting Medi-Cal benefits provided to certain immigrants.

### *Healthy Families*

The Governor outlined \$54.4 million in cuts to Healthy Families if Propositions 1C, 1D, and 1E failed. These cuts would include rolling back eligibility in the Healthy Families program to 200% of the federal poverty level (or \$44,100 for a family of four), leaving more than 225,000 children without coverage. In March, Healthy Families had the second highest enrollment in its history, with nearly 35,000 children signing up for coverage.

The Governor also wants to eliminate certified application assistance fees that provide up to \$60 per applicant reimbursement to organizations that help families complete the Medi-Cal/Healthy Families application. When these funds were eliminated in 2004, 70% of all applications submitted to Healthy Families were incomplete requiring increased administrative outlays for follow-up phone calls and correspondence.

### *Other Cuts*

All these cuts are in addition to those already detailed in the 2009-10 budget proposal released in January and the \$947.7 million in "trigger cuts" that go into effect on July 1, 2009. The cuts include eliminating many optional Medi-Cal services for

adults such as dental care, optometry, and psychological services and reducing reimbursements to safety-net hospitals by 10%.

Community Health Councils is organizing a *Day at the Capitol* on June 9th to meet with legislators and voice our disappointment with the proposed cuts to healthcare. Please contact Catherine Sepulveda at [Catherine@chc-inc.org](mailto:Catherine@chc-inc.org) for more information on how to participate.

## Legislative Update

### Access & Quality of Healthcare

#### *AB 1076 (Jones) – Medi-Cal Fee-For-Service*

This bill would require DHCS in consultation with the Legislature to develop and implement a program to improve the Medi-Cal Fee-For-Service healthcare delivery system to better coordinate and manage health care services, emphasize timely primary and preventive care and management of chronic diseases, and reduce the use and overuse of high cost emergency and hospital inpatient services.

Status: Referred to Assembly Appropriations suspense file on 05/20/09.

#### *AB 1142 (Price) – Proof of Eligibility*

This bill would require hospitals to provide information regarding a person's Medi-Cal eligibility to providers who bill separately for services in the same period for which the hospital is submitting a claim as soon as they receive proof of Medi-Cal eligibility.

Status: Passed out of the Assembly Appropriations and moving to the general floor.

#### *AB 1218 (Jones) – Healthcare Coverage: Rate Approval*

This bill would require the DMHC or the Department of Insurance to approve increases in premiums, copayments, coinsurance, deductibles, and other charges under a healthcare service plan or health insurance policy.

Status: Reconsideration being given in the Assembly Health Committee.

#### *AB 1503 (Lieu) – Emergency Medical Care: Billing*

This bill would allow uninsured patients or patients with high medical costs who are at or below 350% of the poverty level to apply to general acute care hospital emergency room physicians and surgeons for a discount payment.

Status: Passed out of Assembly Appropriations and onto the general floor.

*AB 1521 (Jones) – Healthcare Coverage: Solicitation*

This bill would specify that brokers have a fiduciary duty to the purchaser of health coverage to fully disclose their compensation.

Status: Passed Assembly Appropriations on 05/20/09 and referred to general floor.

## **Community Health & Education**

*AB 346 (Torlakson) – Joint Use School Facilities*

This bill would authorize the State Allocation Board to provide a grant to fund a joint-use project on property that is adjacent to a school site and expand the type of project, partners, and local contributions that are allowed.

Status: Referred to the Appropriations suspense file 04/29/09.

*AB 426 (Hall) – Childhood and Adolescent Diabetes*

This bill states the intent of the legislature to enact legislation that would reduce the incidence of childhood and adolescent diabetes and obesity-related diseases in California.

Status: Referred to the Education Committee on 04/22/09.

*AB 1139 (Perez) – Tax: Enterprise Zones*

This bill would mandate, as a condition of participating in the EZ program, that businesses to provide healthcare coverage and full-time employment. The bill would amend existing Enterprise Zone legislation to revive California's communities hardest hit by the economic crisis and ensure access to jobs.

Status: On hold until 2010.

*AB 1488 (Hall) – Public Health: Food Justice*

This bill would require the Department of Food and Agriculture in consultation with the State Department of Public Health and State Department of Social Services to provide recommendations to the Legislature to promote food justice.

Status: Agricultural Committee hearing cancelled at author's request on 04/29/09.

*ACR 29 (Jones) – Health Disparities: Racial and Ethnic Population*

This bill would request the California Health and Human Services Agency to provide leadership to ensure that within existing resources and programs, departments within the agency implement programs, activities and strategies that place a priority on preventing, reducing and eliminating health disparities among racial and ethnic population subgroups.

Status: Amended and re-referred to Committee on Health on 05/07/09.

## **Expansion of Healthcare Coverage**

*AB 963 (Ammiano) – Medi-Cal Eligibility*

This bill streamlines the application process for Medi-Cal by updating technology and processes so that when individuals provide information to apply for and renew Food Stamps, the data would automatically be used to also apply for and renew Medi-Cal coverage.

Status: Re-referred to Appropriations on 04/29/09.

*AB 1314 (Jones) – Universal Coverage*

This bill requires the Department of Health Care Services to develop and submit a Medicaid waiver to expand coverage in consultation with the Legislature.

Status: Assembly Appropriations suspense file on 05/13/09.

*SB 1 (Steinberg) – Universal Children's Coverage*

This bill would expand Healthy Families program up to 300% FPL and create a Healthy Families buy-in for children in higher income families.

Status: Hearing by the Senate Health Committee postponed on 02/17/09.

*SB 56 (Alquist) – Universal Coverage*

This bill declares the intent of the Legislature to enact and implement comprehensive reforms in the state's healthcare delivery system.

Status: Senate Appropriations suspense file on 05/18/09.

*SB 311 (Alquist)- Healthy Families Program: Dental Only Coverage*

This bill would require the Managed Risk Medical Insurance Board (MRMIB) to develop a supplemental dental coverage program for children who are insured, otherwise eligible for Healthy Families, and without other dental coverage.

Status: Senate Appropriations suspense file on 05/11/09.

*SB 438 (Yee) – Children's Coverage*

This bill would create the Cal-Health program, allow providers to screen and temporarily enroll children in coverage. Makes changes in eligibility processes and procedures that may be a step backwards in simplifying the process.

Status: Senate Appropriations suspense file on 05/18/09.

*SB 810 (Leno)– Single Payer System*

This bill would establish a single-payer healthcare system in California that would enable all residents to have health coverage.

Status: Senate Appropriations suspense file on 05/04/09.

For more details on these and other bills, please visit the California State Legislature at [www.legislature.ca.gov](http://www.legislature.ca.gov).

## **Healthy Ideas Blog**

Join CHC's Lark Galloway-Gilliam and others at KQED's *Healthy Ideas: Californians Weigh In on Health Care Reform*. Contribute to the conversations on eliminating disparities, improving quality and access, covering the uninsured, and slowing costs at <http://www.kqed.org/healthyideas>.

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