

November 18, 2010

To receive **Health Matters** electronically, send your contact information to info@chc-inc.org or sign up on our website at www.chc-inc.org.

California's 1115 Waiver Approved

The Obama Administration approved a 1115 Waiver on November 2nd, 2010 that provides California with approximately \$2 billion annually in federal funding for the next five years to help prepare for health reform. The \$10 billion agreement, negotiated by state and federal officials over the past year, more than doubles existing waiver investments. It includes \$3.3 billion for California's public hospital safety net, \$2.9 billion for additional coverage for low-income individuals and \$3.9 billion for uncompensated care costs. The key elements of the waiver are described below.

Expands the Coverage Initiatives and Medi-Cal

The waiver allows all counties to participate in the county-based Health Care Coverage Initiative (HCCI) that offers health benefits for low-income adults currently ineligible for Medi-Cal coverage.

Expands the Safety Net Care Pool

The waiver expands the former Safety Net Care Pool (SNCP) to provide additional resources to support both safety net hospitals' uncompensated care costs and other critical state programs that are compensated through the SNCP.

Transitions High-Risk Populations into Managed Care

Under the waiver, seniors and persons with disabilities (SPD) will be enrolled in managed care plans to provide better care coordination. California may also implement four pilot project to improve the health of children with special healthcare needs.

Creates the Delivery System Reform Incentive Pool

The waiver creates a Delivery System Reform Incentive Pool to implement a series of investments in the public hospital delivery system through infrastructure improvements and systems innovation and redesign.

For more information and a timeline for the Waiver Terms & Conditions, see our fact sheet *California's Bridge to Reform* at www.chc-inc.org/issue-briefs or contact Laura Ewing, CHC Policy.

Health Reform and the 2010 Election

The 2010 Elections created a drastic shift in the House of Representatives. Control of the House moved to the Republicans along with a large number of state governorships. Opponents of health reform have already declared that they will put a vote up early next year to repeal the new health reform law.

Kaiser Family Foundation polls (see <http://facts.kff.org/chart.aspx?ch=1456>) show that generally slightly more Americans have a favorable rather than unfavorable opinion of the law, with about 15% undecided. An AP poll conducted in September indicates that 40% of adults feel the law should have done more, while only 20% feel the government should stay out of healthcare. A vote to repeal would certainly be vetoed by the President. But opponents could attempt to defund pieces of the bill, even the much praised prevention pieces, and block regulations.

With the number of new Republican governors, we could also see more state waivers being submitted, slower implementation at the state level, health reform funding vetoed and appointments of individuals less inclined to move quickly with health reform. Arizona and Oklahoma, for example, passed ballot measures that allow state residents to "opt out" of the individual mandate.

All of this makes it even more critical to have strong community education that explains how reform has already begun to benefit individuals and what it will do for the economy. It is also equally important for all stakeholders to provide comments and feedback on proposed rules and regulations to ensure that health reform implementation continues to move forward.

CHC launches a seven-part webinar series *Closing the Gap: Making the Most of Health Reform* on December 1, 2010. The webinars will take place over the next 12 months and explore issues related to health reform from a community perspective.

Presenters for the first webinar in the series *Getting Ready for Health Reform* are Herb K. Shultz, Regional Director for the US Department of Health & Human Services, and Sandra Shewry, Advisor on Health Care Reform for California's Health & Human Services Agency. Join us to learn where we are with health reform nationally and in California, what to expect in 2011, and how to get involved. Visit our website at www.chc-inc.org for future updates on the series. RSVP at <https://www2.gotomeeting.com/register/606964898>.

California Election Results

Unlike the rest of the country, California stayed blue after the 2010 Elections. Democrats secured all key leadership positions including the US Senate seat, which was won by incumbent Barbara Boxer.

- Governor – Jerry Brown (D)
- Lt. Governor – Gavin Newsom (D)
- Insurance Commissioner – Dave Jones (D)
- State Treasurer – Bill Lockyer (D)
- State Controller – John Chiang (D)
- Attorney General – still too close to call.

Additionally, all 51 of California's incumbents were re-elected to serve in the US House of Representatives. Former Assembly Speaker Karen Bass (D) was elected to replace Rep. Diane Watson for District 33 and State Senator Jeff Denham was elected to replace Rep. Radanovich. Both incumbents are retiring.

Propositions

The November 2, 2010 ballot included 9 statewide ballot measures that ranged from the legalization of marijuana to redistricting methods for state and federal districts.

Passed

- Prop 20 *Redistricting of Congressional Districts*. Removes elected representatives from the process of establishing congressional districts and transfers that authority to the redistricting commission.
- Prop 22 *Prohibits State from Taking Some Local Funds*. The state will be prohibited from borrowing or taking funds used for transportation, redevelopment or local government projects and services, costing \$800 million in General Fund solutions.
- Prop 25 *Simple Majority Vote to Pass Budget*. The legislature is now able to pass a budget and budget-related legislation with a simple majority vote instead of two-thirds.
- Prop 26 *2/3rd Vote for Some State/Local Fees*. Certain state and local fees will now require a two-thirds vote by the legislature rather than the current simple majority.

Failed

- Prop 21 *State Park Funding. Vehicle License Surcharge*. Californians said no to an annual \$18 vehicle license fee to help fund state park and wildlife programs and in turn receive free admission to all state parks.
- Prop 23 *Suspend Air Pollution Control Law (AB 32)*. Californians rejected the proposal to suspend implementation of the state's landmark global warming law until unemployment in California drops to 5.5% or below for a full year.
- Prop 24 *Repeal Allowance of Low Business Tax Liability*. Californians failed to repeal recent legislation granting corporate tax breaks that lower business tax liability. As a result, the state will lose \$1.3 billion annually.
- Prop 27 *Eliminate State Redistricting Commission*. The measure would have eliminated the State Commission on Redistricting and given sole responsibility for redistricting to elected representatives.

Overall, the results of California's 2010 ballot measures will restrict state funding and further increase the budget deficit unless new ways of creating revenue are addressed. With Prop 25, voters made it easier to pass a budget — reducing the number of votes needed from two-thirds to a simple majority — but they also diminished the legislature's ability to achieve a balanced budget solution with Props 22 and 26. The state legislature will not be able to shift certain revenue streams or raise certain fees, reforming the state's tax system will be difficult and a recently approved transportation tax swap that would have provided \$1 billion in annual budget relief will be reversed.

Although Democrats still have a majority in both the Assembly and Senate, they failed to achieve a two-thirds supermajority. For a supermajority, Democrats needed two more votes in the Senate and four in the Assembly.

Grocery Store Site in Jeopardy as Health Priorities Collide

In one of the poorest food resource environments in LA County, a proposed *Fresh & Easy Neighborhood Market* is in danger of losing approval due to concerns about zoning and design requirements for a portion of the commercial corridor along Crenshaw Boulevard in South LA.

The specific plan represented a long fought effort on the part of area residents to set limits on the height of new construction, the type of businesses allowed and inclusion of pedestrian-friendly design standards. Although the City's Planning Department was successful in getting the grocer to revise their design plans to conform with the pedestrian-oriented development called for in the Specific Plan, a community resident has filed an appeal challenging any deviation from standards.

The Los Angeles City Council Planning and Land Use Management (PLUM) Committee heard the appeal at its meeting on November 16th. The nearly 30 community stakeholders who provided public comment were divided in their positions. Torn between the needs of the community for a full-

service grocery store and the concerns of some residents, the Committee moved the matter to City Council without a recommendation. There is now a good chance the development will be stalled and the grocer will withdraw.

Community Health Councils, its Food Policy Roundtable and Food Resource Development Coalition have been advocating for more retail investment in South Los Angeles as one strategy to close the food resource gap. CHC has documented the correlation between the inadequate number of grocery stores and poor health outcomes of residents as well as the economic loss to South LA from grocery purchases in other communities (for related reports, visit www.chc-inc.org/che). Establishing Fresh & Easy markets in South Los Angeles would stimulate more full-service grocery store development with broad consumer attraction.

The appeal will be heard on Wednesday, December 8, 2010 at 10am in City Council Chambers. We ask that you voice your opinion on this issue. For more information, contact Tanishia Wright, CHC Community Liaison, at Tanishia@chc-inc.org or 323.295.9372 x225.

Upcoming Event

Webinar Series: *Closing the Gap: Making the Most of Health Reform.* *Wednesday, December 1st, 10:30-11:30am.* Join us to learn where we are with health reform nationally and in California, what to expect in 2011, and how to get involved. The webinars will take place over the next 12 months and explore issues related to health reform from a community perspective. RSVP for *Getting Ready for Health Reform*, the first webinar in the series. Presenters are Herb K. Shultz, Regional Director for the US Department of Health & Human Services, and Sandra Shewry, Advisor on Health Care Reform for California's Health & Human Services Agency. RSVP at <https://www2.gotomeeting.com/register/606964898>.

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