

October 29, 2010

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Health Care Reform

In early October, California launched its health reform website (<http://healthcare.ca.gov/>). The site features information regarding the Governor's Health Care Reform Task Force and priorities for implementation, timelines for the major changes contained in the Patient Protection and Affordable Care Act and resources to help Californians with their health coverage options. California's first priorities are:

1. *Improving Access to Private Health Insurance for Persons with Pre-Existing Medical Conditions.* Applications have been sent and are being received for California's Pre-existing Conditions Insurance Plan (PCIP). PCIP provides access to more affordable coverage for people with pre-existing conditions. On October 25th, people who had applied and were found to be qualified for PCIP began to receive welcoming calls telling them that their packet was in the mail and their coverage start date.
2. *Improving the Quality and Security of Private Health Insurance by Enforcing New Federal Insurance Rules.* On September 30th, Governor Schwarzenegger signed a package of bills to implement insurance market changes in federal health reform, including AB 2244. The bill implements and phases-in provisions of federal health care reform ensuring that children cannot be denied coverage or priced out of the market if they have pre-existing conditions. AB 2244 prohibits insurers that sell individual market policies in California from refusing to sell or renew coverage to kids with pre-existing conditions.
3. *Developing a Health Benefit Exchange to Make it Easier to Shop for & Buy Insurance.* On September 30th, the Governor also signed AB 1602 and SB 900 to create the California Health Benefit Exchange (CHBE), making California the first state in the nation to enact legislation creating a health benefit exchange under federal health care reform. The CHBE will be an independent public entity within state government that will help California's consumers and small businesses shop for and buy competitive health insurance starting in 2014. The CHBE will be governed by a five-member board appointed by the Governor and the legislature and subject to strict conflict-of-interest provisions.
4. *Focusing on Prevention and Wellness.* California has received and continues to apply for grants to promote insurance policies that reward healthy lifestyles, invest in community prevention and strengthen the public health infrastructure. The California Department of Public Health has received funds for:
 - California Home Visiting Program
 - Strengthening Public Health Infrastructure for Improved Health Outcomes
 - State Competitive Supplemental Funding for Behavioral Risk Factor Surveillance System (BRFSS)
 - HIV/AIDS Surveillance: Enhancing Laboratory Reporting
 - State Supplemental Funding for Healthy Communities, Tobacco Control, Diabetes Prevention and Control, and Behavioral Risk Factor Surveillance System
 - Personal Responsibility Education Program (PREP)
 - Building and Strengthening Epidemiology, Laboratory and Health Information Systems Capacity in State and Local Health Departments.

100 Days Overdue — The State Budget

One hundred days after deadline, Governor Schwarzenegger finally signed SB 870, the main state budget proposal, on October 8th. The 2010-11 budget keeps General Fund spending essentially flat compared to the previous year with \$86.6 billion in 2010-11 spending vs. \$86.3 billion in 2009-10. The budget agreement does not raise new revenues to bridge the \$19.3 billion budget gap, but instead uses:

- Expenditure reductions of \$8.4 billion (43.6% of the gap)
- Anticipated Federal funds of \$5.4 billion (28.0%)
- Other “solutions” of \$5.5 billion (28.4%).

While the final budget rejected the worst of the health care cuts originally proposed by the Governor, the bill still contains hundreds of millions of dollars in cuts to health care.

Line-Item Vetoes

The Governor used his line-item veto authority to reduce General Fund spending in the bill passed by the Legislature by an additional \$963 million, raising the reserve level from \$375 million to \$1.3 billion. These additional reductions included:

- Cutting \$256 million from the CalWORKs Stage 3 program, effective November 1, 2010. This would eliminate 55,000 subsidized child care slots for working parents who have moved off welfare and into the workforce, making it difficult for many of these parents to keep their jobs.
- Eliminating \$132 million in General Fund support for county mental health departments to provide mental health services for students in 2010-11. This includes eliminating \$69 million in federal special education funds that help schools meet the requirements of federal law to provide students with mental health services. The expense will now fall on schools, many of which cannot serve this population without the funding.
- Vetoing \$10 million in funding for community health clinics including Rural Health Services, Expanded Access to Primary Care (EAPC) and the Seasonal Migratory Worker Program.

Please visit the Department of Finance budget page at <http://www.ebudget.ca.gov/pdf/Enacted/BudgetSummary/FullBudgetSummary.pdf> for full details on the budget.

Funding Restored for Every Woman Counts!

One bright spot in the recently enacted State Budget was the restoration of funding for the *Cancer Detection Program: Every Woman Counts*. Community advocates and legislative stakeholders fought long and hard to restore breast-cancer screening funding to the program. As a result, the final Budget signed by the Governor provides an additional \$20.1 million in funding for Every Woman Counts. The total allocation for the program of \$53.2 million will provide breast cancer screenings to uninsured and underinsured California women aged 40 years and above. Since January 1, 2010, the California Department of Public Health (CADPH) had administratively eliminated

eligibility in the program for women aged 40-49 years and instituted an enrollment freeze for women aged 50 years and above due to a lack of funding. The planned six-month enrollment freeze continued well into the fall, and the consequences of the cuts have been felt across California. Some clinics that relied heavily on Every Woman Counts funding closed business, while others had to absorb the costs or refer women elsewhere for screenings. The CADPH is working on a plan to re-open enrollment and restore the program to levels prior to the January 2010 policy changes. Congratulations on your hard work to preserve this vital program and protect the lives of thousand of women across the state! For more information, contact Laura Ewing, Policy Analyst, at 323.295.9372 x228 or Laura@chc-inc.org.

New Chief Expected for LA County Department of Health Services

On October 12, 2010, the Los Angeles County Board of Supervisors unanimously voted to offer Dr. Mitchell H. Katz the position of LA County Department of Health Services (LADHS) Chief. Dr. Katz, who plans to accept the job, has been Director of San Francisco's Public Health Department for the past thirteen years. The Board of Supervisors could approve a contract shortly, with Katz beginning his new role in January 2011. LADHS has been without a permanent director for two years and is currently led by Interim Director Dr. John Schunhoff. For more information contact Laura Ewing, Policy Analyst, Laura@chc-inc.org.

City Planning Approves Controls on South LA Fast Food Restaurants

LA's City Planning Commission unanimously approved an amendment to current General Plans to regulate the establishment of stand-alone fast food restaurants in South Los Angeles. The amendment pertains to area plans for South, Southeast and West Adams. The footnote requires that proposed sites meet six findings for the project to proceed through the administrative process. As part of these findings, no new, stand-alone fast food establishments would be able to locate within a half-mile radius of an existing stand-alone establishment.

The amendment now moves forward to the City's Planning and Land Use Management (PLUM) Committee for consideration. If the footnote is approved by the PLUM Committee, it would then be presented to City Council for final adoption into the South Los Angeles, Southeast Los Angeles, West Adams, Baldwin Hills and Leimert Park community planning areas. To learn why residents and health advocates should be concerned about fast-food restaurants in South Los Angeles, read our Fact Sheet at www.chc-inc.org/nfw or contact Tanishia Wright, Community Liaison, at tanishia@chc-inc.org.

**FOR MORE INFORMATION ... CONTACT
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