

News Release



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CONTACT: Janice Taylor
323.295.9372 x 221; 323.630.4247 (cell)

Families Unfairly Shoulder the Burden of Balancing California's Budget

Consumers, Providers & Advocates Join Forces to Speak Out for Families

Families, healthcare providers and a coalition of advocates joined forces today to put a human face to the consequences of the cuts to health and social services programs in the proposed 2009-10 California State Budget. The cuts to healthcare alone could cause nearly 2 million Californians—the vast majority children—to lose access to cost-effective healthcare. Additional cuts to CalWORKS; IHSS and SSI benefits for seniors, the blind and disabled; and food assistance programs for legal immigrants would make a tenuous situation for families even worse.

“We recognize that states across the country are struggling with a loss of revenue, but there has never been a greater demand for public health and social service programs than now,” says Sonya Vasquez, Policy Director for Community Health Councils. “And while the cuts will hurt low-income children and families first, they will impact everyone through dollars that disappear from the economy, higher unemployment, and greater emergency room use.”

The Governor proposes eliminating the Healthy Families program, which would mean a loss of healthcare coverage for 942,000 California children—nearly 250,000 in Los Angeles County alone. As job losses have mounted, more than 300,000 children in California became uninsured between November 2007 and February 2009. Healthy Families, the State health coverage program for children, reached its second highest monthly enrollment in the program's history, with nearly 35,000 children signing up for insurance in March 2009 alone. The cuts also mean that California could lose approximately \$560 million in matching federal dollars.

The Governor is also seeking a \$1 billion waiver from the federal government that would allow the State to cut Medi-Cal spending. Any savings produced by these proposals are a mirage. Healthcare is one of the largest industries in California, and these dollars represent not

only health coverage, but jobs and tax revenue. A \$1 billion rollback in state spending for Medi-Cal could result in the loss of \$2.5 billion in business activity; 19,840 jobs; and \$900 million in salaries and wages. If the waiver isn't approved by the federal government, California would lose the \$1.60 federal match for every dollar it cuts in Medi-Cal spending, or \$1.6 billion in all.

As if the healthcare cuts alone won't damage the lives of struggling families, eliminating the CalWORKS program would mean that 1.2 million people, including 900,000 children, would lose cash assistance. Under the proposals, health coverage for legal immigrant adults would be reduced to emergency services only, impacting 80,600 people. Additionally, 11,000 legal immigrant households will be hard hit by the closure of the food assistance program.

The Governors proposal would also reduce IHSS workers wages to the state minimum of \$8 per hour, plus \$.60 per hour for health benefits. This proposal would throw more workers into poverty; decrease the availability of home care workers for consumers; and increase the drain on public benefits as workers qualify for various types of public assistance and consumers are forced into institutions.

The Governor has stated that the failure of the May 19th ballot measures is a clear sign that California doesn't want to raise taxes. However, in survey conducted by David Binder Research, 57% of Californian voters say it is more important to prevent deep cuts to education and healthcare than it is to prevent all tax increases. Additionally, the survey further states that the failure of Proposition 1A was not an indication that voters were against raising taxes but that voters want real solutions and an end to political gimmicks.

“California is taking two steps back, while the White House is trying to ensure health reform,” continues Ms. Vasquez. “Instead of cutting healthcare, we should be making sure all children are covered and using our healthcare dollars to create jobs and improve health.”

Community Health Councils is a non-profit, community-based health promotion, advocacy and policy organization. Established in 1992, CHC's mission is to improve health and increase access to quality healthcare for uninsured, economically-disadvantaged, and underserved populations.

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