



California State Budget Crisis



Central Valley Health Network

Governor's 2011-2012 State Budget Proposal

- **California is facing a \$26.6 billion deficit**
- **Governor has proposed 47% in expenditure reductions**
 - **\$1.7 billion from Medi-Cal**
 - **\$1.5 million from welfare**
 - **\$750 million from services for the developmentally disabled**
 - **\$500 million from UC/ \$500 million CSU system**
 - **\$200 million from state bureaucracy**
- **Governor has proposed 46% in revenue generating solutions**
 - **Extension of four temporary tax increase adopted in Feb. 2009**
 - **Realignment- shifting funding and responsibility to local governments for specific services**





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Governor's Proposal for Health and Human Services Cuts

Medi-Cal

- Hard cap of ten visits per year, no exceptions
- Hard cap of six prescription drugs per month (exceptions for unspecified "life-saving" drugs)
- Eliminate Adult Day Health Care benefits
- Mandatory co-pays
 - \$5 for physician, clinic, dental and pharmacy services (\$3 for lower-cost preferred drugs)
 - \$50 for ER visits
 - \$100 a day with a \$200 maximum for hospital stays (requires a federal waiver)
- Reduce Medi-Cal provider rates by 10 percent
- Hard cap on medical equipment and supplies
- Eliminate Medi-Cal coverage of nutritional supplements except for those with feeding tubes
- Eliminate over-the-counter cough and cold medicine



Governor's Proposed Cuts to Health and Human Services

Healthy Families

- **Increase Healthy Families premiums**
 - Income between 150-200% of FPL- raise from \$16 to \$30 per child per month
 - Income between 201-250% of FPL- raise from \$24 to \$42 per child per month
- **Mandatory healthy families co-pay**
 - \$50 for ER visit
 - \$100 for inpatient hospital stay up to a maximum \$200 per visit
- **Eliminate Healthy Families vision benefit**

Proposition 10

- **Redirect \$1 billion of state and local First 5 dollars to Medi-Cal services for children ages 0-5 and shift 50% of the local allocation to the state on an on-going basis.**





Budget Conference Committee

Governor's Proposals Approved by Assembly and Senate

- Mandatory Medi- Cal co-pays
- 10% reductions in Medi-Cal provider rates
- Elimination of Medi-Cal coverage of nutritional supplements
- Elimination of over-the-counter cough and cold medicine
- Increase premiums in Healthy Families
- Mandatory Healthy Families Co-pays
- Elimination of ADHC
 - \$85 billion to develop a replacement program
- Soft Cap of 7 Medi-Cal visits- children under 21, pregnant woman and residents in Long-Term Care facilities are exempt
 - All visits above 7 would be subject to Physician “self certification” that they are medically necessary
- Proposition 10 funding- use \$1 billion in First 5 funding for 2011-2012 to pay for Medi-Cal services for children 0-5

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Possible Cuts if Ballot Measures Fail

- **\$4.5 billion less for K-12 schools**
- **\$1.7 billion to universities and community colleges**
- **\$2.6 billion to corrections and courts**
- **\$1.8 billion to general state and local government operations**
- **\$1.7 billion to transportation and resources**
- **\$1.2 billion to health and human services**
 - **Reduce state-paid IHSS provider salary to minimum wage (\$300 million)**
 - **Eliminate food and cash aid for noncitizens whom courts have determined can receive benefits (\$190 million)**
 - **Eliminate full-scope Medi-Cal benefits for certain immigrants (\$120 million)**
 - **Stricter income eligibility for welfare-to-work recipients (\$180 million)**
 - **Other health and social services actions (\$360 million)**





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What We Can Do

- **Reach out to Legislative Members**
 - **Calls to District Office, Capitol Office**
 - **Set up meetings**
 - **Send letters**
- **Media**
- **Voter Outreach**





Contact

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