LCHC
Latino Coalition for a Healthy California
The leading voice for Latino health in California

Budget Update: April 29, 2011

The governor has taken to the road in recent weeks to meet with local constituents in an effort to increase their budget acumen. The conversation remains that despite the $12 billion or so in cuts already adopted, California still faces a $15 billion short fall. This is due to the failure of the legislature to effectively act upon the Governor's budget package that sought to avoid deeper cuts by extending certain taxes beyond 2011. The goal was to get the revenue package before the voters in a June special election, which would have required two- thirds vote approval by the legislature. That did not happen. Now the recourse is to gather support for a November ballot initiative focused on approving an increase in taxes. This is because, after June, it will no longer be an extension; it will technically be an increase, perfect fodder for anti-tax Republicans. However, no one from the anti-tax camp has as of yet suggested a meaningful alternative to a "cuts only" budget. An all cuts budget could mean thus far avoided cuts to K-12 education, further cuts to health and human services, our state universities and colleges as well as our community college system. Legislative leaders have indicated that they will have a balanced budget proposal by the June 15 Constitutional deadline and that it will not be a "cuts only" budget and will most likely include reforms, program cuts and tax revenues. This will be affected by the Governor's May Revision which is due to be released mid May, which in the last several years has been around the 14th of May. LCHC will continue to monitor the budget process and keep you apprised of new developments.

Review of Adopted Budget Proposals:

AB 97 (Assembly Committee on Budget): This bill affects the following health care programs: make the proposed changes to the Healthy Families Program and the make proposed changes to the Medi-Cal Program. As well they establish the State Emergency Services Fund.

Medi-Cal:

- Enacts a "Soft Cap" of seven office visits per year, effective October 1, 2011, for state savings of $44.9 million Adopted a Hard Cap of six prescription drugs per month (exceptions for unspecified "life-saving" drugs);
- Eliminates Medi-Cal coverage of ADHC for state savings of $90 million. Proposes to create an alternative, narrowly defined program under a new federal waiver and provides $85 million in state funds for that purpose;
- Enacts mandatory co-pays of $5 for physician, clinic, dental, and pharmacy services ($3 for lower-cost preferred drugs); $50 for ER visits; and $100 a day with a $200 maximum for hospital stays. Requires federal waiver;

- Enacts a ten percent reduction in provider rates;
- Enacts a maximum annual dollar cap on durable medical equipment, hearing aids, medical supplies
- Eliminates Medi-Cal coverage of nutritional supplements except for those with feeding tubes.
- Eliminates coverage for over-the-Counter Cough and Cold Medicine

Healthy Families:

- Enacts an increase in premiums for families with income between 150-200% of FPL, premiums would rise from $16 to $30 per month per Child. Families between 201-250% FPL would see their premiums rise from $24 to $42 per child per month.
- Enacts an increase in copayments of $50 per ER visit and $100 per day for inpatient hospital stays up to a maximum of $200 per visit.
- Enacts a $3 million reduction to the Healthy Families vision benefit.

SB 72 (Senate Committee on Budget and Fiscal Review): This bill affects the following health and human services programs: Confidential Intermediary Program for Sibling Contact, Child Support Services, CalWORKS, CalLearn, In Home Support Services, the Community First Choice Medicaid Option, the Long Term Care Ombudsmen Program, the Supplementary Security Income/ State Supplementary Payment Program.

In Home Support Services:

- Enacts a $128.3 million State general fund reduction to the program, in addition to what was previously approved, but left open for later final action on how that reduction will actually be achieved. (Data courtesy of Allison Ramey at the California Primary Care Association)

CalWORKS:

- Enacts a reduction of the 60-month time limit to receive services to a 48-month time limit;
- Enacts a reduction of grants by 13%; and
- Enacts a reduction of county block grants for unemployment and childcare, and removes exemptions for those grants.

Sources:

http://www.csrha.org/outreach2/weekly_update/april_28_2011_budget. http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_0051-0100/ab_97_cfa_20110315_102303_sen_floor.html
http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_0051-0100/sb_72_cfa_20110315_152530_sen_floor.html