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PRESS RELEASE

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NO NEW CUTS, BUT GOVERNOR'S BUDGET LARGELY CONTINUES RECESSION-ERA CUTS TO HEALTH

- *Budget prevents health cuts with extended and revamped managed care organization (MCO) tax swap, continuing federal funding stream with virtually no impact on health plan premiums. MCO tax still needs to be resolved in special session in January.*
- *Many years after the recession, budget largely continues recession-era cuts to health and human services, without needed restorations to public health programs, Medi-Cal health benefits, and Medicaid provider reimbursement rates, or other health investments by the state.*
- *With significant budget surplus, advocates will urge California to continue its progress under the ACA, to improve care for the projected 13.5 million Californians with Medi-Cal coverage, and to extend coverage to the remaining uninsured. Key restorations and investments will be debated in the budget process this year, and may also involve voters this November, who will decide on revenues by extending upper-income taxes and raising the tobacco tax.*
- *Health policy debate will continue in budget hearings and on bills to cover California's remaining uninsured regardless of immigration status (SB 10 by Sen. Lara), and to limit Medi-Cal estate recovery (SB 33 by Sen. Hernandez), which discourages patients from enrollment and potentially risking losing family home.*
- *Community advocates with the HHS Network will respond tomorrow in press conferences throughout the state, in San Francisco, Los Angeles, Bakersfield, and Riverside.*

Earlier today, Governor Jerry Brown released his proposed budget for the 2016-17 state budget, which continues California's commitments on health care and health reform, but also continues the cuts made during the recession, and doesn't make the needed investments needed to reduce barriers to coverage, increase access for Medi-Cal patients, or cover the remaining uninsured. Here's reaction from the executive director Anthony Wright of Health Access California, the statewide health care consumer advocacy coalition:

@HealthAccess
www.health-access.org

NO RESTORATIONS TO RECESSION-ERA CUTS IN THE HEALTH BUDGET:

"Even though we are many years from the recession and have a significant surplus, this budget proposal largely continues the recession-era cuts to health and human services. The surplus was created in part from \$15 billion in HHS cuts; it's high time to restore cuts to Medi-Cal benefits and rates and other public health programs," said Anthony Wright, executive director, Health Access California, the statewide health care consumer advocacy coalition. "California should build on the progress we made under the Affordable Care Act, by removing barriers to coverage, ensuring those covered in Medi-Cal get access to benefits and providers, and extending care to the remaining uninsured."

MCO TAX: "While there aren't any new investments in health, we are pleased with the momentum to revamp and renew the managed care organization tax swap, which enables California to draw down federal funds for our health system. Maintaining this funding stream helps prevent a billion dollars in cuts to health care, on top of the cuts made in the recession that have yet to be restored." said Wright. "We hope legislators from both parties see the wisdom of bringing in these federal funds and maintaining this existing funding stream to prevent even more cuts."

IMMIGRANT HEALTH CARE: "We should build on the commitment to care for all California children made in last year's budget, and we will continue to push this year to ensure access to coverage for all Californians, regardless of immigration status," said Wright. "Immigrants are a vital part of our community and economy and should be fully included in our health system." SB10 (Lara) to extend access to health care to all Californians regardless of immigration status is pending in the Assembly.

ESTATE RECOVERY: "There are key health budget policy issues not addressed by this budget. It's disappointing the budget does not remove the estate recovery provision that complicates enrollment and discourages patients for signing up for Medi-Cal coverage. The Governor has previously vetoed a bill to limit Medi-Cal estate recovery, arguing the policy change should be done in the budget instead. We will vigorously pursue this change, so some Californians don't fear that their loved ones lose the family home as a result of signing up for coverage," said Wright. SB33(Hernandez) to limit estate recovery is pending in the Assembly.

REVENUES: "The size of the surplus provides the opportunity to both put money away for a rainy day and to restore services for families for whom it is raining now," said Wright. "The budget debate will continue to November when voters will also have the opportunity to raise revenues. By extending Prop. 30 on high-income earners and increasing the tobacco tax, Californians can prevent cuts to vital services and make the investments needed in the health care system on which we all rely."

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