



BOARD OF DIRECTORS

Brian Allison
AFSCME

Nancy "Nan" Brasmer
CA Alliance for
Retired Americans

Kathy Ko Chin
Asian & Pacific Islander
American Health Forum

Lori Easterling
CA Teachers Association

Stewart Ferry
National MS Society –
MS CA Action Network

Aaron Fox
Los Angeles LGBT Center

Roma Guy
CA Women's Agenda

Betsy Imholz
Consumers Union

Paul Knepprath
Planned Parenthood
Affiliates of CA

Henry "Hank" Lacayo
Congress of CA Seniors

Ted Lempert
Children Now

Christina Livingston
Alliance of Californians for
Community Empowerment

Joshua Pechthalt
CA Federation of Teachers

Art Pulaski
CA Labor Federation

Emily Rusch
CALPIRG

Thomas Saenz
Mexican American Legal
Defense and Education Fund

Cary Sanders
CA Pan-Ethnic Health Network

Reshma Shamasunder
CA Immigrant Policy Center

Joan Pirkle Smith
Americans for
Democratic Action

Horace Williams
CA Black Health Network

Sonya Young
CA Black Women's
Health Project

Jon Youngdahl
SEIU State Council

Anthony Wright
Executive Director

Organizations listed for
identification purposes

@HealthAccess
www.health-access.org

PRESS RELEASE

For Immediate Release

CONTACT: Anthony Wright
916-442-2308 (office), 916-870-4782 (cell)

February 29, 2016

CA LEGISLATURE PASSES HEALTH PLAN TAX REVAMP

- ***MCO tax swap prevents \$1B+ in cuts to vital health care programs; continues federal funding stream with no impact on health plan premiums***
- ***More work to do: Revamp was mostly to not lose federal funds and prevent new cuts; Added revenues needed to restore cuts & make needed investments in Medi-Cal; Voters to consider revenue-raising ballot measure like a tobacco tax this fall.***

SACRAMENTO, CA —California lawmakers voted today on a bipartisan basis to revamp the tax on managed care organizations, in order to meet new federal guidance and continue to draw down federal funds into our state's health system. The proposed plan would expand the current tax on health plans, but lowers other taxes, reducing the impact of the tax. This new package would allow the state of California to continue to receive federal matching funds and prevent a \$1.1 billion hole in the state budget.

"This bipartisan vote for the revamping of this tax allows California to continue to draw down federal funds and spares our health system of over \$1 billion in cuts." said Anthony Wright, executive director of Health Access California, the statewide health care consumer advocacy coalition. "Let's be clear there's more work to do: While this revamped MCO tax prevents new cuts and largely maintains the status quo in terms of funding our health system, California will need new revenues to make major new investments in Medi-Cal and other public health programs. "

"Even with this much need revamped tax swap to prevent new cuts, California has yet to restore the ongoing cuts to Medi-Cal benefits and rates made in the recession. Voters will have the opportunity to raise revenues like the tobacco tax this November to allow California to invest in our health system and other vital services." said Wright. "There was bipartisan agreement that we couldn't make additional health cuts and in fact need additional investments; hopefully we can continue that momentum in the budget negotiations this summer and at the ballot box this November."

A #CABudget Scorecard of potential restorations and investments is available on the Health Access website, at: <http://www.health-access.org/images/pdfs/budget2016Scorecard1-8-16final.pdf>

###