



## HEALTH CARE BUDGET CUTS Scorecard

June 14, 2008

Gov. Arnold Schwarzenegger's proposed state budget affects all Californians who use any part of the health care system – and especially the lowest income and most vulnerable among us. In the first year, 39,000 parents and 160,000 children will lose coverage due to new bureaucracies or rules imposed. Once fully implemented, more than 1 million Californians – both adults and children – will be uninsured, adding to the ranks of 6.5 million people without coverage today. Californians who rely on public programs would encounter new barriers to using their health care at every level – in obtaining coverage, in keeping their coverage, using their coverage and paying for their coverage.

### ELIGIBILITY

Ability to obtain coverage

	Governor's Proposal		Assembly	Senate	Conference
What it would do	Savings/Costs	# people impacted			
<b>Deny low-income working parents coverage directly:</b> Parents earning very low wages, between \$11,000 and \$18,000 a year (individual and family of three, respectively) would no longer be eligible for <b>Medi-Cal</b> coverage. A family of three would need to earn less than \$975 a month and work fewer than 100 hours a month in order to qualify.	<b>GF<sup>1</sup> savings:</b> \$31.2 million <b>FF<sup>2</sup> lost:</b> \$31.2 million	<b>First year:</b> 39,000 parents  <b>Full implementation:</b> 429,000 parents	Rejected	Rejected	
<b>Prevents children from enrolling in coverage:</b> Delays the implementation of a law that would have streamlined and fast-tracked enrollment of children into <b>Healthy Families</b> or <b>Medi-Cal</b> .	<b>GF savings:</b> \$13 million	<b>First year:</b> n/a  <b>Full implementation:</b> 94,000 children 13,000 parents	Approved	Approved	
<b>Deny benefits for legal immigrants:</b> For the few low income legal immigrants who qualified and currently receive comprehensive Medi-Cal benefits (including dental and prescription drugs), the only coverage that would be available would be: emergency, pregnancy, some long-term and some cancer care.	<b>GF savings:</b> \$86.7 million	80,600 legal immigrants	Rejected	Rejected	

<sup>1</sup> GF=General Fund

<sup>2</sup> FF=Federal matching funds

## RETENTION

### Ability to stay on coverage

	Governor's Proposal	Assembly	Senate	Conference
What it would do	Savings/Costs	# people impacted		
<p><b>Reduce enrollment through paperwork burdens:</b> Quarterly-status reports require <b>Medi-Cal</b> recipients to report changes in their income every three months (rather than every year or six months). Those who do not submit paperwork fall off the program, losing coverage.</p>	<p><b>GF savings:</b> \$43 million</p> <p><b>FF lost:</b> \$43 million</p> <p><b>Other costs:</b> At least \$200 per enrollee, increased administrative costs to re-instate.</p>	<p><b>First year:</b> 86,026 children 6,764 adults</p> <p><b>Cumulative:</b> 471,500 children will lose coverage</p>	Rejected	Modified: Would impose semi-annual status reports for children, which is the current requirement for parents. Also rejected quarterly reports for parents.
<p><b>Institute a monthly cut-off:</b> Imposes monthly eligibility requirements for undocumented immigrants to access emergency care.</p>	<p><b>GF savings:</b> \$42 million</p>	<p><b>First year:</b> 11,000</p> <p><b>09-10:</b> 22,000</p>	Rejected	Rejected

## COST

### Ability to afford coverage

	Governor's Proposal	Assembly	Senate	Conference
What it would do	Savings/Costs	# people impacted		
<p><b>Make low-income seniors pay more:</b> Would require some seniors on <b>Medi-Cal</b> to pay the \$96/mo premiums for their coverage for physicians' visits through Medicare Part B. These seniors earn as little as \$1,100 a month.</p>	<p><b>GF savings:</b> \$53.8 million</p>	57,000 low-income seniors impacted	Modified: Eliminates premium payments for enrollees who pay over \$500 for services.	Modified: Eliminates premium payments for enrollees who pay over \$500 for services.
<p><b>Increase Healthy Families premiums:</b> Increases would be as follows – <u>Subscribers between 151-200% FPL:</u> Increase of \$7/month (from \$9 per child to \$16) <u>Subscribers over 200%:</u> Increase of \$4/month (from \$15 per child to \$19).</p>	<p><b>GF savings:</b> \$22.4 million</p> <p><b>FF lost:</b> \$40.7 million</p>	955,000 subscribers	Modified: Savings estimated would be reduced by half	Modified: Savings estimated would be reduced by half

<p><b>Increase Healthy Families co-payments for “non-preventive” services:</b> Families between 151 to 250% of FPL would pay \$7.50 (rather than \$5) for services such as:</p> <ul style="list-style-type: none"> <li>➢ Emergency room visits (if they are not hospitalized);</li> <li>➢ Doctors visits (that aren’t preventive such as well-child or chronic care treatment)</li> <li>➢ Prescriptions</li> <li>➢ Eye exams and Prescription glasses</li> <li>➢ Physical, speech and occupational therapy</li> <li>➢ Root canals, oral surgery, crowns, bridges and dentures</li> </ul>	<p><b>GF savings:</b> \$3.4 million <b>FF lost:</b> \$6.2 million</p>	955,000 subscribers	Rejected	Rejected	
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**BENEFITS**

Ability to use benefits

	Governor’s Proposal		Assembly	Senate	Conference
What it would do	Savings/Costs	# people impacted			
<p><b>Eliminate adult dental benefits:</b> Adults on Medi-Cal would no longer be able to get cleanings, crowns, exams, fillings or oral surgery unless a physician agrees to treat them.</p>	<p><b>GF savings:</b> \$70.3 million <b>FF lost:</b> \$70.3 million</p>	2.5 million adults	Rejected Continues \$1,800 cap on dental benefits	Modified: Rejected elimination but would continue \$1,800 cap on dental benefits	
<p><b>Eliminate nine other benefits for adults on Medi-Cal:</b> Adults would no longer be able to see an optometrist, fill eyeglass prescriptions, obtain hearing aids, get speech therapy, treat sores caused by incontinence, or see a podiatrist, chiropractor, acupuncturist, or psychologist. Only services provided by a physician can be covered.</p>	<p><b>GF savings:</b> \$11.6 million <b>FF lost:</b> \$11.6 million</p>	2.5 million adults	Rejected	Rejected	
<p><b>Cap Healthy Families dental benefit:</b> Limit dental coverage to \$1,000 per enrollee.</p>	<p><b>GF savings:</b> \$6.3 million <b>FF lost:</b> \$11.4 million</p>	955,000 subscribers	Modified: Increased the cap to \$1,500	Modified: Increased the cap to \$1,500	

## PROVIDERS

### Ability to access care

	Governor's Proposal	Assembly	Senate	Conference
What it would do	Savings/Costs	# people impacted		
<b>Limit access to doctors: Medi-Cal</b> providers would weather a 10 percent rate cut on top of already-low pay (43rd in the nation). The rate cut approved in March, would take effect July 1.	<b>GF savings:</b> \$614 million <b>FF lost:</b> \$614 million	Unknown	Modified: Restores most of the provider rate cuts, leaving providers with a 0.8% rate cut rather than 10%.	Modified: Restores half of provider rate cuts, leaving providers with a 5% cut rather than 10%.  Heard 6/14/08 Open
<b>Reduce public hospital funding:</b> Shifts money that would have otherwise gone to county-run hospitals that treat high numbers treat low-income and uninsured to unrelated programs.	<b>GF savings:</b> \$75.8 million		Partially rejected. Cut reduced to \$54 million	Partially rejected. Cut reduced to \$54 million.  Heard 6/14/08 Open
<b>Reduce private hospital funding:</b> Reduces amount of money that private hospitals treating high numbers of uninsured and low-income patients receive to offset lost money	<b>GF savings:</b> \$24 million <b>FF lost:</b> \$23.3 million		Approved	Rejected  Heard 6/14/08 Open
<b>Reduce access for underserved populations:</b> Reduces certain programs offered by community clinics, such as offerings for seasonal workers, urban and rural clinics and Native Americans, by 10 percent	<b>GF savings:</b> \$3.5 million		Approved	Modified: Used Prop 99 tobacco funds to increase funding to \$3.7 million
<b>Reduce access for children with genetic diseases, birth defects or chronic illnesses:</b> 10% reduction for case management and administration of California Children's Services (CCS) and Genetically Handicapped Persons Program (GHPP)	<b>GF savings:</b> \$3.6 million	39,000 children impacted	Rejected CCS cut.	Modified: Both programs would sustain 5% reduction, rather than 10%  CCS cut rejected. Money from federal Title V funds pays for programs.
<b>Reduce hospitals payments for care of low-income patients on Medi-Cal:</b> Cuts rates for non-contracting hospitals to the lower of either 5% below regional rates, or 90% of cost.	<b>GF savings:</b> \$12 million		Approved	Approved  Heard 6/14/08 Open
<b>California Discount Prescription Drug Program:</b> Implements program that would allow 5.4 million uninsured – who currently pay full sticker price for drugs -- Californians to buy needed medications at a discount.	<b>GF cost:</b> \$5.8 million	5.4 million uninsured Californians	Adopted Governor's proposal to fund	Eliminated funding for the program for budget year  Heard 6/14/08 Open