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IN STATE OF THE STATE, GOVERNOR BROWN HIGHLIGHTS CALIFORNIA'S PROGRESS ON HEALTH CARE

- *Speech cited "truly monumental" implementation of the Affordable Care Act, including the "historic achievement of coverage expansion, to cover 13.5 million enrolled in Medi-Cal and 1.5 million in Covered California.*
- *Legislature applauds #ACA expansion and Governor's affirmation of a May start to covering all income-eligible children in Medi-Cal regardless of immigration status.*
- *Benefits of Medi-Cal greatly outweigh their costs. In budget, state general fund cost of Medi-Cal is \$19.1 billion--out of an \$87.9 billion budget, mostly covered by federal and other funds.*
- *Advocates highlight the work left to do, including covering the remaining uninsured regardless of immigration status, beefing up consumer protections against unfair surprise bills and other unfair charges, and new efforts on improving quality and reducing cost and disparities.*

California Governor Jerry Brown today presented his annual State of the State lauding the progress California has made and focusing on the state's increased revenues and healthy rainy day fund. On health reform, he touted the progress made to the covered the uninsured, highlighting the state's commitment to cover the children of undocumented workers, and the overall expansion under the Affordable Care Act:

"In May, we will start providing full health care coverage to the children of undocumented workers," stated Governor Brown. "Most importantly--and this is truly monumental--we have wholeheartedly embraced the Affordable Care Act. As a result, we are now enrolling 13.5 million Californians in Medi-Cal and another 1.5 million in Covered California. This is an historic achievement. It will provide health security to so many who could not otherwise afford it."

Health advocates respond: "Governor Brown should be appropriately proud of the progress California has made implementing and improving health reform. "said Anthony Wright, executive director of Health Access California, the statewide health care consumer advocacy coalition, remarked, "The decisions to expand coverage under the Affordable Care Act, and to go beyond to cover all children this May, will benefit not just

the newly insured but the the health system on which we all rely. We are also pleased the Governor is committed to reforming the MCO tax and are looking forward to ensuring this funding base continues to help pay for a strong health care safely net.”

In preaching needed fiscal restraint, Governor Brown overstated his case when saying, "While the benefits of these programs are enormous, so too are the costs--both now and into the future."

Advocates respond: "The Governor does overstate the state costs of expanding coverage, which are minor in context and given the benefit. In fact, the federal government will pick up the vast majority of the costs of Obamacare permanently, not just temporarily. All subsidies in Covered California are financed through the federal Affordable Care Act, with no state participation. In Medi-Cal, the shared cost to the state of the ACA expansion is a mere 5% of the cost of coverage for those millions of people—10% tops in 2020 and beyond." said Wright.

"The recent expansion of Medi-Cal under the Affordable Care Act to cover adults without children is budgeted at \$14.1 billion, almost entirely in federal funds, with only \$740 million of that from the state General Fund. But even that state cost is estimated to be offset by \$565 million in reclaimed savings from the county safety-net," said Wright, referring to page 59 of the Budget Summary, showing that by the Administration's own accounting the net cost to the state is significantly less. "While there is a cost, the benefits are big: the Affordable Care Act is a boon, not a burden, to the state's health system, economy, and budget."

"We have appreciated the Governor's partnership in implementing and improving the Affordable Care Act and we look forward to working with him and the Legislature this year to strengthen our health system, put new consumer protections in place, leverage federal dollars for health care investments, and expand coverage to all Californians regardless of immigration status. We hope the Governor and Legislature work to with us to address network adequacy, timely access to care, surprise out-of-network bills, high prescription drug costs and other consumer protections to ensure that the record number of Californians with health coverage can meaningfully access health care and handle the cost of that care," said Wright.

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