

California's Health is On the Ballot

Vote Yes On Proposition 55 to Restore and Improve Medi-Cal and Our Health System

Proposition 55 allows California to prevent cuts, restore, and improve Medi-Cal, a key financial pillar of the healthcare system on which all Californians rely.

Over one-third of the state's population is covered by Medi-Cal. This includes one-half of all births, and 60 percent of children ages 0-5. It also covers not just 7 million children but also their parents, as well as seniors, people with disabilities, low-income working adults, and two-thirds of nursing home residents.

Proposition 55 extends (but does not raise) the existing tax rates on the wealthiest Californians. It does not raise taxes on anyone, and in fact allows the sales tax enacted by voters in 2010 to expire—allowing for lowered taxes for a majority of Californians while still funding education, health and other vital services, especially for children.

Prop 55 revenues first go to education and the “rainy day” fund to prevent budget cuts during a recession. After those requirements are met **a portion of the money generated—up to \$2 billion—is dedicated to provide and improve Medi-Cal coverage for low-income families with children.**

Medi-Cal coverage and care improves the health of children resulting in fewer missed days of school and increased ability to focus on learning while in the classroom.

Why is Proposition 55 needed?

- Based on current budget projections and the Governor's warning of the inevitability of a future economic downturn, it is clear that maintaining these revenues are needed to avoid returning to an era of deficits and massive budget cuts.
- Without a temporary extension of existing taxes on the wealthiest Californians, budget forecasts show that our state will face a deficit of more than \$4 billion in the first full year alone.

Why is Prop 55 needed for Medi-Cal?

- Most of the Medi-Cal cuts made during the Great Recession have yet to be restored. These cuts included reducing provider rates by 10 percent across the board, and eliminating 10 benefits to all adults, including dental, podiatry, psychology, vision, and more (Dental was only partially restored in 2013).
- Even before the cuts, Medi-Cal's provider reimbursement rates were among the lowest in the nation. This has resulted in fewer doctors, specialists, and other providers serving Medi-Cal patients, leading to delays and denials for patients seeking needed care.

How much will Prop 55 raise?

- Proposition 55 will generate an estimated \$8 billion per year on average.
- Proposition 55 allocates 89% of the education funds to K-12 schools and 11% to California Community Colleges.
- Once those guarantees are met, additional funds – up to \$2 billion – can go to health care programs. Additional revenues will also help shore up the Rainy Day Fund.

How will the money in Proposition 55 be spent on health care?

- Proposition 55 includes specific language that directs the revenues for health care to be used for critical and preventive health care services for low-income children and their families under the Medi-Cal program. Furthermore, the money must be spent in a way that maximizes matching federal funds.
- When the money raised for health care by Prop 55 is matched with federal funds, it can secure billions in additional resources to improve access for some of California's most vulnerable populations.

What accountability measures are in place for the health care funding that goes to Medi-Cal?

- The State and Federal government can audit the Medi-Cal program whenever they would like to look at how funds are spent.
- In addition, the health care funding from Proposition 55 is subject to auditing by the State Controller in the same way the education funding is audited at the state level.

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