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identification purposes

June 1, 2016

Budget Conference Committee

Assemblymember Phil Ting, Co-Chair

Assemblymember Richard Bloom

Assemblymember Lorena Gonzalez

Assemblymember Jay Obernolte

Assemblymember Kristen Olsen

Senator Mark Leno, Co-Chair

Senator Patricia Bates

Senator Loni Hancock

Senator Ricardo Lara

Senator Jim Nielsen

RE: Budget Conference Committee - Health Issues

Dear Chairpersons Ting and Leno, and Members of the Budget Conference Committee:

Health Access California, the statewide health care consumer advocacy coalition working for quality, affordable health care for all Californians, respectfully submits these comments regarding the health issues in the proposed 2016-17 State Budget.

ITEMS ADOPTED BY BOTH HOUSES

We support the following items, which were adopted by both the Senate and the Assembly:

Limit Medi-Cal Estate Recovery: Both the Senate and Assembly approved funds (\$26M GF) to limit Medi-Cal estate recovery to long-term care services, consistent with federal requirements. The federal government requires states to recoup certain medical costs – mostly related to nursing home care – from the estates of some Medi-Cal patients after they die. California, however, seeks repayment beyond the federal minimum, and a patient's estate is expected to pay back the value of ALL coverage, including premiums for managed care plans, received after a patient turns 55. This policy unfairly targets older Medi-Cal recipients, and the lowest-income families generally (higher income Covered California patients do not have to repay their subsidies). Finally, the current policy discourages both homeownership and health coverage enrollment, undermining the state's good work in other policy areas helping families lift themselves up out of poverty—in fact, the policy contributes to the problem of intergenerational poverty.

This is a top priority for Health Access California, and many other consumer, health, senior, and community organizations this budget cycle. We are pleased the Legislature has prioritized limiting estate recovery to the minimum required by federal law, aligning California with 40 other states. The state fiscal impact of this change is modest—most of the impacted families do not have assets to claim, those who do can find ways to shelter their assets, and any assets collected largely go to the federal government not the state. We believe it is urgent that we correct this inequitable, counterproductive policy in this budget year.

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Delay Newly Qualified Immigrant (NQI) Wrap: We strongly support the action by both houses to approve the Administration's May Revision proposal to delay implementation of the NQI wrap program for one year, and rejected trailer bill language that would make policy changes for this program. The NQI Wrap would transition Medi-Cal expansion adults who have less than five years in a "qualified immigration status" to Covered California with wraparound services. Advocates, including Health Access, had raised concerns about the transition given its complexity and workability. We look forward to working with the Legislature and the Administration to ensure immigrants are not negatively impacted by the NQI Wrap.

Provide Interpreters for Medi-Cal: The Senate and Assembly approved \$15 million for in-person interpreters to assist Medi-Cal patients who do not speak English well. Both federal and state law give all patients who need an interpreter access to one. About 40% of California residents regularly speak a language other than English, and many of the newly insured have language access needs. Language barriers can cause patients to be misdiagnosed, not get appropriate or timely treatment, and cause medical errors that jeopardize safety.

Restore Children's Dental Disease Prevention Program (CDDPP): Both the Assembly and Senate restored \$3.2M GF funding for CDDPP, which provided school-based oral health prevention services to 300,000 low-income school children in 32 counties for nearly three decades before it was eliminated during the recession. This program provides cost-effective prevention services and should be restored.

Office of AIDS Programs: Both houses acted to improve access and affordability for individuals living with HIV or AIDS by eliminating cost-sharing for individuals enrolled in the **AIDS Drug Assistance Program (ADAP)** with annual incomes between 400 and 500 percent of the Federal poverty level, which will result in savings to the state. The Legislature also approved the development of a **Pre-Exposure Prophylaxis (PrEP) Affordability Program** to cover PrEP-related copays, coinsurance, and deductibles incurred by all individuals accessing PrEP in California with annual incomes below 500 percent of the federal poverty level. Finally, both houses proposed \$8.6 million (federal funds and ADAP rebate funds) for the **Office of AIDS' Health Insurance Premium Payment (OA-HIPP) Program**, which covers premiums, copays, coinsurance, and deductibles incurred by all eligible people living with HIV/AIDS in California. We support these actions to make health care more accessible and affordable.

ITEMS IN CONFERENCE COMMITTEE:

We urge the following actions for items in Budget Conference Committee:

Adopt Assembly version on Medi-Cal Data Collection: The Assembly approved \$200,000 GF and trailer bill language to align Medi-Cal's health plan data collection and reporting requirements for race/ethnicity, language, and sexual orientation and gender identity (SOGI) data with Covered California's proposed 2017 qualified health plan standards. This is a very modest investment that would help make a big advance toward health equity.

Adopt Assembly version on Aged & Disabled Eligibility Level Increase: The Assembly approved \$30M GF to increase the amount of income that is disregarded in calculating eligibility for the Medi-Cal aged and disabled (A&D) program. When the A&D program was enacted in 2000,

it had an income eligibility standard of 199% federal poverty level (FPL) plus income disregards, making the eligibility criteria equivalent to 133% of the FPL. However, the disregards lose real value every year, with the resulting income standard today at only 123% of the FPL. Increasing the income disregard would raise the A&D program income level to 138% FPL, an amount equivalent to other Medi-Cal income levels for adults and decrease the number of low-income seniors with a high Medi-Cal share of cost. We support this common-sense change that will help specific Californians and better align programs.

Support Senate Version - Hepatitis Initiatives: The Senate included \$1.4 million in funding for Hepatitis Initiatives that increase Hepatitis B vaccinations for high-risk adults and provide resources for rapid Hepatitis C and HIV test kits. This small investment goes a long way in preventing the spread of preventable medical conditions that will save the state money in the long-run.

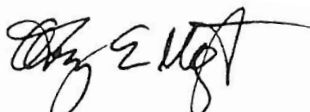
OTHER BUDGET PROPOSALS:

Support restoration of all “optional” Medi-Cal benefits and rates: Low-income Californians enrolled in Medi-Cal continue to experience the cuts made during the Great Recession to Medi-Cal provider rates and benefits. The Assembly allocated \$3.7 million GF in 2016-17 (and \$4.4 million ongoing) to restore the acupuncture optional benefit in the Medi-Cal program. We urge restoration of all non-federally mandated Medi-Cal benefits that were eliminated in 2009 for fiscal, not policy reasons. They include: acupuncture, audiology, chiropractic, incontinence creams & washes, optician/optical labs, podiatry, vision, and speech therapy. We appreciate prior actions to partially restore adult dental benefits, and advocate for full restoration of these benefits because gum treatments, rear root canals, and partial dentures are still uncovered.

Support #Health4All: Thanks to actions taken in last year’s budget, all California kids became eligible for full-scope Medi-Cal this month. Remaining work needs to be done to expand Medi-Cal to cover adults regardless of immigration status. We will continue to actively advocate for Senator Lara’s SB 1418 to accomplish this goal.

We appreciate your thoughtful consideration of these issues in Conference Committee and look forward to working with you in the coming weeks to ensure the 2016-17 State Budget invests in the health and well-being of all Californians. Please contact Tam Ma, Policy Counsel, at tma@health-access.org or (916) 835-5177 if we can answer any questions for you.

Sincerely,



Anthony Wright
Executive Director

Cc: Senate President Pro Tem Kevin de León
Speaker Anthony Rendon