

California Governor Newsom proposed in May significant cuts to care & coverage, which would have denied coverage to tens of thousands of low-income seniors, and eliminated benefits and reduce access to care for millions with Medi-Cal coverage. Health, community, and consumer advocates urged the Legislature and Governor to reject cuts, and to adopt better budget solutions that included a mix a federal funds, and tax and other revenue increases.

Proposed Budget Cuts in Governor’s May Revise	SENATE BUDGET	LEGISLATIVE BUDGET	FINAL BUDGET
<b>CUTS TO COVERAGE, PARTICULARLY FOR SENIORS</b>			
<b>Reinstating the “senior penalty” by lowering the income eligibility for seniors</b> and people with disabilities in Medi-Cal, thus denying over 20,000 low-income Californians comprehensive coverage who are between 123% and 138% (\$17,200/year) of the federal poverty level. When seniors are particularly at-risk due to COVID-19, those over age 65 in this Medi-Cal Aged and Disabled program would have a lower income eligibility than those under 65, and face high cost-sharing for care, of hundreds or thousands of dollars. (\$67.7M)	Rejected	Rejected	Not cut
<b>Allow additional seniors to fall off full-scope Medi-Cal</b> , which would happen depending on whether Medi-Cal income counting rules considers payments of Medicare Part B premiums. (\$478K)	Rejected	Rejected	Not cut
<b>Discourage seniors from signing up for Medi-Cal by reinstating estate recovery</b> for those over age 65, leading many to not enroll in Medi-Cal in order to not endanger the family home. (\$16.9M) [Trigger]	Rejected*	Rejected*	Not cut
<b>Continue to exclude income-eligible seniors due to immigration status</b> , denying at least 22,000 Californians comprehensive coverage in Medi-Cal, a population that is particularly vulnerable to COVID-19. Expansion was proposed in January 2020 budget but withdrawn, a setback to the goal of #Health4All. (\$87M)	<b>Delayed until 1/22: \$69.2M cut</b>	<b>Delayed until 1/22: \$69.2M cut</b>	<b>Delayed indefinitely, until recovery</b>
<b>Reduce allocations for affordability assistance in Covered California</b> , which could go to further lowering premiums for those Californians who have to buy coverage as individuals—many who recently lost employer-based coverage. Most impacted are middle-income Californians 50-65 who would still pay 10-18% percent of their income for coverage, with the continued state subsidies. (\$250M over current and budget year)	<b>Adopted: \$250M cut</b>	<b>Adopted: \$250M cut</b>	<b>Cut Adopted</b>
<b>Eliminate post-partum extended coverage in Medi-Cal</b> , so the program does not extend the emergency pregnancy-only coverage for those diagnosed with a maternal mental health condition. (\$34.3M) [Trigger]	Rejected*	Rejected*	Not cut
<b>Cut funding for outreach and enrollment:</b> Eliminate the funds for community groups to help consumers enroll in and retain health coverage and access medical services (\$15M) and other related programs.	<b>Adopted: \$15M</b>	Rejected	Not cut

KEY: (\$Dollar amount) is the general fund savings provided by the cut in the budget year, which may grow in future years, and does not include federal matching funds.

[Trigger] Under the Newsom Administration proposal, these cuts would be “triggered off” if federal funds materialize.

\* The legislative proposals rejected the trigger cuts and replaces them with other budget solutions to be “triggered on” if no federal funds come by October. The final deal has no health cuts impacted by federal funds.

	SENATE	LEGISLATIVE BUDGET	FINAL BUDGET
<b>ACCESS CUTS TO BENEFITS AND PROVIDERS</b>			
<b>Eliminate alternatives to nursing homes</b> including <b>Community Based Adult Services (CBAS)</b> (\$95.2M) and <b>Multipurpose Senior Service Program (MSSP)</b> (\$22.2M), and a cut to in-home supportive services (IHHS) (\$205M), programs that help seniors and adults with disabilities independent and safe in their own homes. Such cuts would push seniors into nursing facilities, the site of many COVID-19 deaths. [Trigger]	Rejected*	Rejected*	Not cut
<b>Eliminate Medi-Cal benefits</b> for millions of low-income adults, including: audiology, speech therapy, vision (optometry, optician & optical lab services), podiatry, incontinence creams & washes, acupuncture, physical therapy, occupational therapy, pharmacist delivered services, nurse anesthetist services, brief intervention/referral to opioid & drug treatment, and the Diabetes Prevention Program. (\$30.3M) [Trigger]	Rejected*	Rejected*	Not cut
<b>Cutting dental coverage</b> , for gum treatments, rear root canals, and partial dentures—going back to the “partial restoration” of Denti-Cal from 2013-2017. (\$22.9M) [Trigger]	Rejected*	Rejected*	Not cut
<b>Eliminate hearing aid coverage</b> for children up to 600% of the poverty level. (\$5M; \$15M ongoing cost)	<b>Adopted: \$5M cut</b>	Rejected	Not cut; Starts 7/1/21
<b>Delay Cal-AIM reforms</b> , including enhancements to Medi-Cal benefits. (\$347.5M)	<b>Adopted: \$347.5M cut</b>	<b>Adopted: \$347.5M cut</b>	<b>Cut Adopted</b>
<b>Reducing Medi-Cal provider payments</b> by cutting supplemental payments, value-based incentives, & rate increases for providers funded by Prop 56 tobacco tax, including physicians, dentists, women’s health, family planning services, as well as intermediate care facilities for the developmentally disabled, HIV/AIDS services, home health, pediatric day services, developmental screenings, and non-emergency medical transportation. Also cuts loan repayment for physicians and dentists committing to serve Medi-Cal patients. (\$1.2B) [Trigger]	Rejected*	Rejected*	Not cut in 2020; <b>Cut adopted 7/1/21</b> (excl. women’s health)
<b>Cuts to community clinics (I)</b> , major providers of care to Medi-Cal patients, including Federally Qualified Health Center (FQHC) payment adjustments to eliminate certain carve-outs (\$50M) [Trigger]	Rejected*	Rejected*	Not cut
<b>Cuts to community clinics (II)</b> reclaiming savings from centralizing prescription drug purchasing. (\$26.3M)	<b>Adopted: \$26.3M cut</b>	Rejected	Not cut
<b>Cuts to Medicaid managed care plans</b> , including a 1.5% rate reduction (\$182M), and additional cost containment adjustments. (\$91.6M)	Rejected	<b>Adopted: \$243.4M cut</b>	<b>Cut Adopted</b>
<b>Cut to planned help to Martin Luther King Jr. Hospital</b> , a key public safety-net institution in LA (\$8.2M)	Rejected	Rejected	Not cut
<b>Cut to the home visiting program of the Black Infant Health Program.</b> (\$4.5M) [Trigger]	Rejected*	Rejected*	Not cut

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